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NEWS SUMMARY

GENERAL

Gdansk meeting criticises leaders

Poland's party leadership was attacked yesterday at a party meeting of the Gdansk shipyard attended by Mr. Stanislaw Kania.

The attack is almost certain to attract renewed criticisms from Moscow.

Speakers singled out hard-line Politburo member Mr. Stefan Olszowski, who is at the Czechoslovak Party Congress in Prague, where he is expected to have a sympathetic hearing from Soviet President Mr. Leonid Brezhnev. Back Page

Biggs for UK

Chief magistrate of Barbados ordered fugitive British train robber Ronald Biggs to be extradited to Britain.

Rail warning

British Rail is to tell workers planning industrial action over line closures that they will be suspended if they do not work normally. Back Page

Shell victory

The Shell Group won its £24m High Court insurance claim over the loss of the cargo of the tanker Salem, scuttled last year. Back Page

Royal bridesmaid

Clementine Hambro, aged five, a pupil at the kindergarten where Lady Diana Spencer worked before her engagement to Prince Charles, will be the youngest of five bridesmaids at the Royal wedding on July 29.

High poll

The Fermanagh and South Tyrone by-election showed a high turnout as voters decided between a jailed IRA hunger striker and a former Official Unionist Party leader. Page 8

Platform probe

Denmark ordered the evacuation of the nine-man crew of a North Sea oil production platform while a safety investigation is carried out.

Lord Russell dies

Lord Russell of Liverpool, whose legal work for the trial of Nazi war criminals led him to write The Scourge of the Swastika, died aged 85.

Oil stopped

Kuwait stopped supplying oil to all customers with which it has still to complete price review negotiations for the year which started on April 1.

Bishop returns

Bishop Desmond Tutu returned to South Africa despite a Government threat to seize his passport.

Jets collide

Several hundred passengers were delayed when an empty British Airways jumbo airliner reversed into an Aer Lingus Boeing 707 on the tarmac at Heathrow Airport.

Hottest day

Temperature in London reached 68F yesterday, the hottest of the year. Weather, Back Page

Buzz off

British bees refused to eat garlic-flavoured sugar supplied by the EEC as winter food. Beekeepers are to be recompensed with £125,000.

Briefly . . .

Countdown for today's launch of the U.S. space shuttle was on schedule.

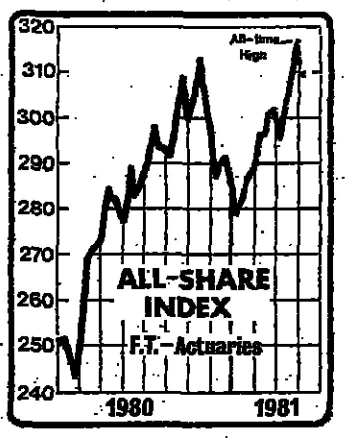
Public transport strike in Portugal left estimated 4m passengers stranded.

Boy of nine feared drowned after falling from breakwater at Sandown, Isle of Wight.

BUSINESS

All-share index at peak; $11 off gold

● EQUITIES ended the account extremely firm. The FT 30-share index put on 10.4



to 549.8, and the FT-Actuaries All-Share index reached an all-time high, adding 1.4 per cent to 318.17. Page 34

● GILTS were subdued. The Government Securities index lost 0.10 to 69.37. Page 34

● GOLD fell $11 to close at $498.5, the day's lowest level. Page 29

● STERLING shed 80 points to $2.1950 but improved to FFr 11.105 (FFr 11.075) and was unchanged at DM 4.7. Its trade-weighted index eased to 99.2 (99.4). Page 27

● DOLLAR advanced but closed below its best, at DM 2.1405 (DM 2.1330), SwFr 1.9510 (SwFr 1.9440) and Y213.90 (Y213.30). Its trade-weighted index rose to 101.4 (100.6). Page 27

● WALL STREET was off 4.87 at 988.56 near the close. Page 28

● KEYSER ULLMANN and Dawnay Day divisions may be united under an £11m buy-out proposal to create an international merchant bank. Back Page

● BORROWING by central Government reached £901m last month, exceeding Budget Day expectations by £330m, because of the Civil Service dispute. Back Page

● BICC may abondon a £15m fibre optic manufacturing project at Shotton since the Welsh Office refused it £1m additional aid. Page 7

● TATE and LYLE proposals to manage Jamaica's sugar industry are broadly acceptable, Agriculture Minister Percival Broderick said. Page 33

COMPANIES

● RHONE-POULENC, leading French chemicals concern, made a net 1980 loss of FFr 1.95bn (£176m) after a comparable FFr 601m profit in 1979. Back Page

● BAYER, West German chemicals group, boosted pre-tax profits 11.5 per cent last year to DM 1.56bn (£333.5m). Page 31

● BLACKWOOD HODGE, international earthmoving equipment group, reported pre-tax profits down sharply to £4.99m (£10.88m) for 1980. Page 21

● BOWATER Corporation, paper and packaging concern, reported 1980 pre-tax profits down to £85m (£91.3m). Page 20; Lex, Back Page

● AUTOMOTIVE PRODUCTS, vehicle and aircraft maker, reported a £3.07m taxable loss for 1980 after a £13.47m surplus the year before. Page 21

● LEAD INDUSTRIES Group, non-ferrous metal smelters and paint and chemical manufacturers, reported taxable profits for 1980 down to £10.3m (£20.3m) after sharply higher interest charges. Page 25

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES					
Assd. Brit. Foods	138	+ 8	Reed Intnl.	235	+ 10
BICC	259	+ 7	Richards (Leicester)	51	+ 9
Barratt Develops.	241	+ 11	Rowntree Mack'tosh	186	+ 8
Boosey and Hawkes	177	+ 14	Ruberoid	89	+ 5
Bowater	260	+ 10	Sainsbury (J.)	410	+ 12
Bowthorpe	180	+ 20	Sindall (Wm.)	170	+ 36
Brit. Aerospace	210	+ 8	Sterling Credit 8pc Cum Pref.	180	+ 25
Estates and Agency	150	+ 10	Thorn EMI	372	+ 12
Feb Intnl. A	85	+ 11	Carless Capel	146	+ 15
Grattan Warehouses	90	+ 6	Eglinton Oil Gas	165	+ 13
GUS A	491	+ 18	Gaelic Oil	205	+ 20
GKN	158	+ 11	Harrisons Malay Est.	239	+ 11
ICL	53	+ 4	Hongkong (Singor.)	887	+ 112
Jerome (S.)	120	+ 16	Kuala Selangor	410	+ 60
Lilley (F. J. C.)	147	+ 6	Cent. Pacific Minls.	135	+ 20
Linfood	160	+ 8	RTZ	487	+ 20
Lucas Inds.	211	+ 13	Sthn. Pacific Pet.	57	+ 7
MFI	62	+ 5	Tanks Consd.	360	+ 20
Midland Inds.	72	+ 6	FALL		
NatWest Bank	388	+ 13	Royal Bk. Scotland	166	− 7
Phoenix Mng. Fin.	75	+ 7			

Europe's steelmakers agree on action to boost prices

BY GILES MERRITT IN BRUSSELS AND ALAN PIKE IN LONDON

EUROPE'S leading steelmakers have agreed on joint action to boost sagging EEC steel prices.

To defuse the crisis in the Community's industry they have approved "the greatest part" of a voluntary scheme to reduce production.

British steel executives, returning from talks among the Eurofer "club" of major EEC steelmakers in Luxembourg, hoped the arrangements would raise price levels by between 10 and 15 per cent.

"The agreement should permit recovery, in part, of some of the lost ground in pricing during the past year," said Mr. Ian MacGregor, BSC chairman.

The twin moves by Eurofer are a crucial element in the steel strategy under negotiation between the Governments of the Ten.

With the EEC steel industry working at only 55 per cent of its 201m tonnes annual capacity, the aim is to raise prices while reducing State subsidies and encouraging plant closures.

Although further Eurofer talks are planned for April 16, the steel chiefs have agreed on necessary measures, "to impose an immediate and substantial price increase" aimed at ending the price war that has broken out anew in such steel product categories as hot rolled coils and certain light sections.

Coils are the "bread and butter" of the engineering industry. Accounting for a major proportion of Community production, they are psed in manufacture of a wide range of products, including cars and refrigerators.

Light sections, also taking a large share of the steel market, include products such as reinforcing rods for construction, wire and material for machine-tool manufacture.

The Eurofer statement does not define the level of price rises agreed or the means by which the increases will be imposed. Nor does it detail the categories that will be affected. A substantial proportion of light sections produced in the EEC comes from independent steelmakers, who have yet to accept the new codes.

The independent producers are due to join next week's resumed Eurofer talks, where it is understood fresh proposals governing output quotas for light sections will be put to them.

Although a deal with the EEC's private steelmakers, mainly grouped in the new European Independent Steelworks Association, will require tough negotiations that might delay completion of the Eurofer pact, considerable progress on a voluntary production curbs code has been made.

Since talks opened between Eurofer's 15 big steel producers on March 20 agreement on new quotas for heavy plate and heavy sections has been reached, and there are signs that quotas for coils and rolled strip have been tackled at this week's meeting.

The EEC Council of Ministers set Eurofer an April 1 deadline to agree a curbs code. But the more practical deadline now under discussion is early May.

While the Luxembourg agreement may have little impact on list prices for steel, BSC executives hope that they will lift the heavily discounted actual selling prices of recent months.

Further tentative signs of improvement in the British steel market were provided by production figures issued yesterday.

Weekly production last month averaged 306,900 tonnes. Though 3.9 per cent behind February this is more than 30 per cent up on the average weekly output for the last quarter of 1980.

Bundesbank chief fears for future of EMS

BY JONATHAN CARR AND STEWART FLEMING IN MUNICH

THERE ARE no prospects for further development of the European Monetary System in the "foreseeable future," Herr Karl Otto Pöehl, president of the West German Bundesbank, said yesterday.

He warned that the EMS was in great danger of failing unless more progress was made by member-States in combating inflation.

He told a meeting of the IFO Economic Institute in Munich, that inflation rates and budget deficits were widely different among member-States of the EMS.

"The harmonisation of economic policies and performances, which is essential to the viability of any system of fixed exchange rates, is seriously lacking, and nowhere in sight in the Community."

Prospects for institutional development of the EMS to include a European Monetary Fund as a kind of European Central Bank have dimmed since the decision of the European Council last year to postpone the second stage of the system. This was due to come into force last month.

Poehl's comments appear the most trenchant expression of the problems facing the EMS so far made in public by a leading West German official.

He stressed that lack of fiscal restraint in Europe was a factor which made proposals for a co-ordinated reduction in international interest rates unrealistic.

Such a reduction has been strongly advocated by the Bonn Government on the grounds that it would help economic growth, and is supported by several European countries.

The issue is expected to be discussed at the meeting this weekend in London in preparation for the annual gathering of the International Monetary Fund.

Herr Poehl said: "Unless we are prepared to recommend a halt to the fight against inflation in the U.S., the world will have to live with relatively high interest rates.

"In Europe as well, higher interest rates are a companion of the fight against inflation, and I see little room for concerted action on the interest rate front unless—and this is an important proviso—the policy mix should be shifted decisively in the direction of a tighter fiscal stance on both sides of the Atlantic."

He suggested that the Reagan Administration's economic policies promised such a shift in emphasis, and that a similar change would be highly desirable in Europe.

It is no secret that the Bundesbank believes that the Bonn Government should be more active in reducing its budget deficit.

Herr Poehl stressed his own long involvement in efforts for European monetary integration.

He emphasised the value of the exchange rate stability which the EMS helps to provide.

But further evolution of the EMS and establishment of an organisation which would have at least some of the functions of a European Central Bank could not be achieved in the absence of broader European economic harmonisation and political integration.

These comments appear to reflect a long-standing fear that premature creation of a European Monetary Fund might imply some loss of independence for the Bundesbank without creating an adequate supranational alternative.

Lantzke warns on oil supply illusions, Page 2

Hongkong Land profits soar

BY ADRIAN BOVEN IN HONG KONG AND DONALD MACLEAN IN LONDON

HONGKONG LAND, the property company closely associated with Jardine Matheson, the Hong Kong trading house, raised its net profits including extraordinary items more than sixfold in 1980 to the equivalent of £193.6m, from £30.7m in 1979.

The 1980 total is 50 per cent above the previous record for a Hong Kong company.

The profits arise largely from extraordinary gains from sales of shares in Hongkong and Kowloon Wharf and Godown Company, which owns highly-prized waterfront sites, in the summer of last year to interests of Sir Yue-Kong Pao, the shipping magnate.

This followed a brief battle for control of Wharf with the British establishment in the Colony represented by Land and Jardine.

The battle over Wharf followed the build-up of a 49 per cent stake by Cheung Kong Holdings, the property company headed by Mr. Li Ka-shing, in another bulwark of the British presence in Hong Kong, Hutchison Whampoa, a trading house like Jardine.

The Cheung Kong purchases eventually led to a protective closing of ranks between Jardine and Land. It emerged yesterday that Land had built up its stake in Jardine to 40 per cent, from 30 per cent, by using the proceeds of the Wharf share sales. At 40 per cent the Land holding in Jardine is matched by Jardine's stake in Land.

The profit announced by Land compares with the record £128m announced on Monday by Cheung Kong, to top the £121m announced in March by Hongkong and Shanghai Banking Corporation, now bidding almost £500m for the Royal Bank of Scotland.

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Thatcher attacks strikers at Polaris base

BY PHILIP BASSETT, LABOUR STAFF

THE Prime Minister yesterday sharply criticised Civil Service strikers whose industrial action over pay is threatenng the movement of the Polaris nuclear submarine HMS Resolution, for putting "personal gain above the safety of the realm."

Mrs. Thatcher's Commons statement came as the Council of Civil Service Unions announced a further intensification of the dispute by reimposing a cargo blockade of Ireland, which the unions claim will halt about 60 per cent of the Republic's exports.

In reply to MPs' questions, Mrs. Thatcher said: "I don't think the British people will think very much of a minority of public servants who choose to put personal gain before the safety of the realm."

In what was taken to be a clear indication that the Navy would be used to break the strike at the Faslane submarine base on the Clyde, Mrs. Thatcher said the Government intended to ensure that the nuclear deterrent is still effective and will remain effective. "We will take all steps to see it does," she said.

Union leaders had thought that the Navy might be used yesterday following the refusal of local strikers to accede to the request of Commodore George Vallings, the base commander, to work normally on the submarine, which needs to be resupplied.

However, no move was made following a meeting between local strikers and the commodore, though it was thought there might be a meeting of naval commodores in London today to discuss the position.

The unions reported, however, that the Ministry of Defence had formally told Mr. Bill Wright, deputy general secretary of the main union involved, the Institution of Professional Civil Servants, that the Navy would be used if there was not a return to normal working.

The CCSU have kept their 44 local committees on stand-by for widespread protest action if the Navy is used.

The MoD agreed that the use of servicemen was one of the options in contingency plans to deal with the dispute. Others are believed to include rescheduling the submarine's sailing time or using another base to replenish its stocks.

The MoD refused to disclose HMS Resolution's sailing time, but it was reported in Scotland that the boat would have to be cleared from dock at the weekend, and that the Navy might be brought in then when there were fewer staff on the base.

Commodore Vallings asked the 57 strikers at Faslane and the Coulport armament depot for the return to normal working off: the stores at Coulport to give access to supplies, including weapons: the weapons staff to process materials and weapons; the Coulport jetty staff in case of loading problems; the Faslane oil fuelling staff in case of problems in this area: and the Faslane radiographers in case a nuclear repair was necessary.

The unions believe the Navy does not have the capability to take over these tasks fully.

The Government will make a statement in the House next week, probably on Wednesday, on the effects so far of the dispute. Mr. Leon Brittan, Chief Secretary to the Treasury, confirmed in a written answer yesterday that the cash limits for the Civil Service for 1981-82, which provide for the present pay offer of 7 per cent, would not be raised.

Easter disruption

The Council will tomorrow announce a package of disruptive action for the Easter weekend. Yesterday it announced the reimposition of action by Customs staff on the Eire-Northern Ireland border and at ports on the west coast of England and Wales. The action will continue at least until after Easter.

Similar action in the first week of the strikes at the beginning of last month cost the Republic about £12m a day in lost exports, and drew a warning from the Confederation of Irish Industry that many companies were fearful about the effects of the blockade unless it were lifted immediately. The UK mainland takes about 45 per cent of the Republic's exports, and supplies about 50 per cent of its imports.

Central government debt rises, Back Page

£ in New York

—	April 8	Previous
Spot	$2.1930-1950	$2.1950-1970
1 month	0.43-0.50 pm.	0.68-0.75 pm.
3 months	1.90-2.00 pm.	2.05-2.15 pm.
12 months	5.70-5.90 pm.	6.50-6.75 pm.

SDP support numbers 43,566

By Elinor Goodman

THE Social Democrats signed on 43,566 paid-up members in members in the two weeks since their launch as a political party.

Mr. William Rodgers, the SDP's chief organiser, says the party is on target to achieve its aim of 60,000 members, 100 in each constituency, by the year's end.

Figures from the party yesterday showed that the glossy £170,000 launch more than paid for itself and that the party, in contrast to the two main parties, has a healthy bank balance. With members paying an average £9 to £10 each the party has received about £400,000.

Labour and the Conservatives yesterday tried to dismiss the figures as predictable in view of the enormous publicity surrounding the launch, and to play down their significance. Mr. Michael Foot, Labour leader, described them as "cooked" figures, well-suited to a party with "half-baked policies."

Privately, however, MPs of both major parties seemed taken back by the size of the response.

Some Labour MPs consoled themselves with the hope that most of the support came from the Tory heartland in the South. They challenged the party to produce a geographic breakdown of its support.

Mr. Rodgers said that from the figures it was not possible to tell anything about the background of those signing up. His impression was that a large number had not belonged to any party before and that many were young and socially aware.

The Liberals, with whom the SDP hopes eventually to form an alliance, claim more than 200,000 members and the party is already well-established in some areas.

Mr. Rodgers was cool on negotiating with the Liberals in the next few weeks. He had no idea whether Mr. David Steel, the Liberal leader, would get an agreement to put to his party conference this autumn.

About 90 per cent of the 43,566 supporters applied to join as full members. The rest sent money and indicated support for the cause while stopping short of actually joining.

Applications were made over the phone by 6,781 people. Most of these were believed to have paid by credit-card.

Politics Today, Page 19

Schmidt attacks Soviet foreign 'violations'

BY ROGER BOYES IN BONN

HERR HELMUT SCHMIDT, the West German Chancellor, yesterday made an unusually explicit attack on Soviet policy and at the same time reaffirmed Bonn's commitment to the U.S. and the NATO alliance. The Chancellor also made clear that it was *crucial to maintain* a dialogue between East and West, *especially when relations are* strained by the crisis in Poland.

Herr Schmidt's comments came in a State of the Nation address before the Bundestag, the German Parliament, and seemed to mark the end of a *relatively quiescent period in* Bonn's foreign policy. The *Polish crisis (which has effec*tively frozen Ostpolitik), the conflicts within the European Community, the pre-election uncertainty in France and the post-election uncertainty in U.S., have meant that Bonn has seen *its room for manouvre shrink* drastically over the past six months.

Now Herr Schmidt has firmly charted the future course. In the absence of alternatives, that course seems to have a distinctly Atlanticist flavour. "President Reagan and his Administration *know that they can rely on the* readiness of the Federal Government to pursue a policy of comprehensive and continuous co-operation — just as we rely on them," said Herr Schmidt.

However, that kind of commitment to the U.S. also entails *naming names* — *Herr Schmidt* criticised the Soviet Union on three major counts, and coupled the attack with an appeal to Moscow to moderate its policy towards Poland.

Soviet armament, said Herr Schmidt, *violated the principle* of military balance, the invasion *of Afghanistan* violated international law, and the creation of new "dependencies" in Africa and elsewhere violated the principle of non-alignment in the Third World.

The annual State of the Nation address is traditionally *a time to review relations* between East and West Germany, which, under the official formula are seen as "two states in one nation." Herr Schmidt made clear that a meeting with Herr Erich Honecker, the East *German party chief, was not* likely immediately.

Even so, the Chancellor stressed that continuing contacts between East and West—that is between East and West Germany, between Moscow and Bonn, and between Moscow *and* Washington—were essential.

It was important that East *Germany should not be allowed* to seal itself off from the world because only a network of contacts with the West would make East European behaviour "calculable," he said.

Herr Schmidt said that Bonn *was currently fixing up a suit*able date for a visit to Bonn by Soviet President Leonid Brezhnev, though officials have stressed that it will not take place before the Chancellor's scheduled meeting with Presi*dent Ronald Reagan in May.*

The Chancellor's speech thus outlines the dilemma facing *German policy*: How to balance its role in the Western alliance with its continuing need for contacts with the East, without offering any solution for the day-to-day friction that occurs as a result of these competing priorities.

Thus it became clear yesterday that Bonn was disappointed by the apparently grudging commitment to arms control talks given by Mr. Caspar Wein*berger, the U.S. Defence Secre*tary, during the *nuclear* planning group meeting this week.

The speech gave two clues as to how Bonn will resolve the dilemma on the one hand, there will be a repeated and strong commitment to the U.S. and a continuing drive to persuade the German population of the *need to negotiate from strength*. On the other hand, there should be more informal contacts between between ordinary West Germans and East Germans, *especially* young ones, so that the idea of a German nation can *be maintained.*

Warsaw Pact forces leave Polish territory

EAST GERMAN and Soviet Army units which took part in recently ended Warsaw Pact manoeuvres inside Poland and East Germany have been moved back to their bases, Leslie Colitt, writes from Berlin. *However, Western* officials here say this "*apparent reduction in tensions*" does not mean that the Soviet ability to carry out swift military action has been reduced.

The knowledgeable Western sources note that the three-week-long manoeuvres "enhanced" Moscow's ability to launch a military strike against Poland if the Soviet leadership believed all political possibilities had been exhausted.

By rotating units, well over 60,000 Soviet and East German troops were given live *ammunition training in the* war games, which included repeated *landings on the* Polish coast. Moscow originally told the West the exercises would involve some 20,000 troops. A Soviet Army command structure was also established on Polish territory, along with a communication system

Reports from the U.S. State Department have spoken of continued intensive military activities in and around Poland and a high state of preparedness of Soviet forces. Western *officials here explain* there is considerable rivalry between the State Department and the Pentagon in assessing the military threat to Poland and that this has frequently coloured their public pronouncements.

Lantzke warns on oil supply 'illusions'

By Jonathan Carr in Munich

A STRONG warning against complacency over the relative calm on the world oil market has been issued by Dr. Ulf Lantzke, executive director of the International Energy Agency (IEA). Addressing a conference here yesterday on the European economy in the 1980s, Dr. Lantzke stressed that *some people were already talk*ing blithely about an oil surplus again.

But the energy policy mistakes of the 1975-78 period, when oil prices fell in real terms and gave rise to the "dangerous illusion" of a return to the age of cheap oil, must not be *repeated*, Dr. Lantzke said.

If the situation in the Middle *East stabilised and oil exports* from Iran and Iraq recovered, then the world *oil market could* remain in balance this year and perhaps longer, Dr. Lantzke thought. But he added: "Today we are less able than ever to assume that during the next 10 years the oil supply situation *will be free of* unpleasant surprises."

The *price effects of relatively* small shortfalls could be disastrous—as developments in 1979 had shown. This implied what he called further "refinement" of the emergency schemes already developed both by the IEA and the European Community.

In the longer term, Dr. Lantzke emphasised that even with the maximum possible development of coal and natural gas and energy savings an energy gap would remain which would have to be filled by *nuclear power*.

Dr. Lantzke warned that if a *major consumer country* were to reject the nuclear alternative, it would have to fall back on other energy sources, usually through imports, to the detriment of other users in both the industrialised and developing world.

He did not mention any names but it seemed clear that Dr. Lantzke had his own country particularly in mind. A fierce debate on atomic power has been going on in West Ger*many for* years.

In contrast, Dr. Lantzke underlined the striking achievements of the atomic programme in France, where 30 per cent of primary energy needs would be met by nuclear power by 1990. *Already the French energy* course was bringing industrial advantages *and improving* export capability, Dr. Lantzke said.

Polish debt meeting in Paris

BY ROBERT MAUTHNER IN PARIS

REPRESENTATIVES of *Poland's 15 western* creditor nations began a two-day meeting here yesterday in a further effort to find a solution to the urgent problem of rescheduling *the mounting Polish debt.*

The meeting follows close on *the heels* of the discussions between international commercial banks and the Polish Central Bank in London, *during which* some progress was made on *Poland's request to refinance* $3.1bn (£1.41bn) of bank debts *falling* due this year.

A further meeting of the Western banks and Polish officials is scheduled for next week, with the aim of reaching *an interim agreement* on a rescheduling of debt repayments *falling due on June 30*. But Poland would still have to continue its interest repayments.

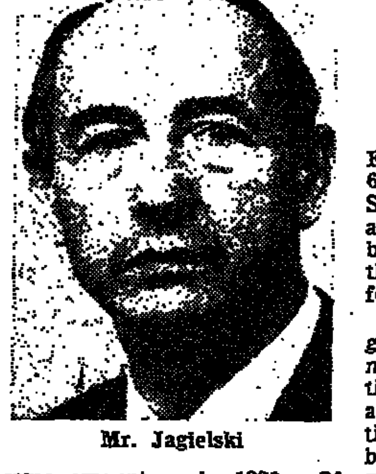
At the Paris meeting, *only* the rescheduling of official and *officially-guaranteed debt is* being discussed. Of the total amount of $24bn owned by Poland to the West, a little more than $10bn has been guaranteed by governments or state export credit and insurance organisations.

Poland has asked its creditors to be allowed to reschedule $4.4bn of this official debt falling due this year.

Officials have expressed some hope that provisional proposals for rescheduling this year's official debt can be drawn up at the current meeting, and that they will be given final approval at the end of this month.

At the last meeting of the official creditors in Paris at the end of February, it was agreed that urgent interim measures to help Poland deal with its financial difficulties were required. France, as the chairman of the *creditors' meeeting, was quick* off the mark in fulfilling this *pledge*.

During a visit to Paris at the end of last month by Mr. Mieczyslaw Jagielski, the Polish Deputy Premier it was an*nounced that France would* grant Poland FFr 4bn (about £353m) in aid this year, the same amount as in 1980. Of *this*, FFr 1.25bn will be used to refinance loan repayments due this year.



Mr. Jagielski

French likely to call off Moscow grain sale plan

BY WALTER ELLIS IN STRASBOURG

FRANCE'S proposed sale of 600,000 tonnes of wheat to the Soviet Union is unlikely to go *ahead with the announcement* by the European Commission that alternative markets exist for the French surplus.

EEC leaders are bound to *greet Tuesday evening's an*nouncement with relief, since the French plan, if it had gone ahead, would have been in violation of the Community's em*bargo on increased sales of* grain to the Soviet Union, imposed after the invasion of Afghanistan last year.

According to the Commission, some 13.5m tonnes of wheat *are earmarked for ex*port, for which markets for *11.6m tonnes have already been* found. This leaves 1.6m tonnes to be disposed of, but the Commission does not anticipate any great problem in finding buyers.

It is understood that the bulk of the new markets are in *North* Africa.

France had to some extent *already eased* the problem by announcing the intended sale, at *heavily subsidised rates*, of a further 200,000 tonnes of grain to Poland.

U.S. and Spain to renegotiate on defence

By Robert Graham in Madrid

THE U.S. and Spain are to begin at once to renegotiate their *28-year-old bilateral* defence treaty, Mr. Alexander Haig, the U.S. Secretary of State, said here yesterday at the conclusion of a visit to Spain. But Mr. Haig would give no details on the shape of the treaty.

Mr. Haig also made a ful*some apology to his* Spanish hosts over misunderstandings caused by remarks he made in Washington the night of the abortive coup in Spain on February 23.

The Spanish Government has indicated that with only five months left before the treaty expires, it would prefer to have an interim agreement. This, it is argued, would allow more time for detailed discussions and would also *permit Madrid to prepare the* ground more thoroughly for *NATO* membership.

The Spanish Government would like to renegotiate the treaty, *first signed in 1953* and renewed in 1976, in the *context of joining the Atlantic* alliance. But the main opposition Communist and Socialist parties are against NATO membership although they are not opposed to a renewal of the defence treaty.

Mr. Haig *told a Press* conference that he envisaged the treaty would be completely new. He also indicated that the U.S. supported Spanish *NATO membership or its* association with the alliance, underlining that Washington would like continued use of the existing facilities enjoyed under the present treaty. There are air bases at Torrejon, *near Madrid and at Sarragossa*, naval facilities at Rota, *near Cadiz* and a number of other radar and surveillance installations throughout mainland Span and the islands.

The Secretary of State, who arrived via Rome from a tour of Middle Eastern capitals, said that he had not discussed with the Spanish Government the use of these *Spanish facilities* by the Rapid Deployment Force.

The impression left by his *visit was that he came here* primarily to put the record *straight over his remarks at* the February 23 seizure of Parliament was "an internal affair."

It was widely felt in Spain that U.S. support for Spanish democracy was equivocal especially given the Reagan Administration's shift to supporting right-wing military regimes in Latin and central America.

Yesterday, Mr. Haig said he regretted the misinterpretation of his comments. He spoke when the Administration had little information of what was happening but there was never any doubt of U.S. support for Spanish democracy, he maintained.

During his 17-hour visit here, Mr. Haig had an audience with King Juan Carlos and met the Prime Minister, Sr. Leopoldo Calvo Sotelo.

WEST GERMAN INVESTMENT PLAN

Three-pronged strategy for a faltering industrialised economy

"THE PLAN shows that there are no patent solutions to Germany's problems." That was *how one leading West German* business representative yesterday portrayed Bonn's DM 6.3bn (£1.34bn) scheme to stimulate the economy. Fortunately the *plan, unveiled as part of the* joint German-French proposal *to raise $6bn (£2.73bn)* on the international capital markets, makes no claims to patent answers. Rather, it seems designed to have a psychological impact, above all *on energy con*sumption habits and on the *general investment climate*.

One commentator describes the 10-point scheme as a miniboost, and certainly, despite some encouraging economic indicators announced this week, the economy seems in need of a spur to ensure that the turn*round comes sooner than later.*

Industrial production figures released yesterday show that output *rose* by a *seasonally* adjusted 4.5 per cent in Febru*ary compared with January*, though the January-February average is still 2 per cent down on the same period last year. Overseas demand also ensured that overall *orders to West* German industry rose by 2 per cent in February against January, while the March unemployment figures have also shown an improvement. The cost of living appears to have *stabilised at 5.5 per cent in* March, the same as the Febru*ary level.*

Yet all of this seems to suggest that the recession has started to bottom out, as Dr. Wilfried Guth, chairman of the *Deutsche Bank, said this week.*

This is where the Bonn plan starts to have importance. These are the key points:

- The major focus is to create *room for manoeuvre for small* industry in a world that is cur*rently* governed by tight interest rates. The idea is to create low interest rate loans to small and medium-sized enterprises to ensure that they will be able *to substitute oil with other* energy sources, to introduce energy-saving technology but also to introduce new data processing technologies and automation, and thus keep their competitive edge.
- Bonn will negotiate with the provincial states on how best to foster solar technology, heat pumps and "district heating" schemes (a way of recycling *heat* generated in power stations to warm houses in the local community).
- The major utilities are to be encouraged to make more use *of coal-fired power stations.*
- New cable technology is to be examined by the Federal Post Office with a view to boosting the telecommunications industry.
- A new programme to improve the qualifications of unskilled workers is to be introduced (the shortage of skilled labour is being acutely felt in some key industries). There is to be a review of the current tax laws that allow the unemployed to claim special tax benefits.

A three-pronged strategy is thus at work. The current account deficit *of the balance* of payments is being tackled by the energy-saving measures. Unemployment is under attack, both by stimulating the expan*sion of small companies and by* getting rid of tax anomalies *that encourage workers to stay* on the dole. Innovation and market adjustment have also been given a friendly push.

The federation of German *industrialists*, however, has expressed dissatisfaction with the plan, claiming that it is falling between the two stools of a comprehensive stimulatory legislative package *(in fact* very little new legislation will be necessary) and a strict non-interventionist strategy.

Kevin Done adds from Frankfurt: The Government move to give particular help to medium-*sized and smaller companies is* a recognition that this vital sector suffers particularly acutely during periods of high interest rates.

Such firms are often unable to take advantage of raising cheaper funds on foreign financial markets and they are also likely to be more dependent on credit

The health of small and *medium-sized industry* is of vital importance to the West German economy. Companies with less than 500 employees, make up 95 per cent, some 1.9m, of German *companies*.

A recent report by the Dresdner Bank draws attention to the fact that small companies are able to react much more quickly to changes in economic circumstances than the giants of *industry*.

BP postpones development of Ula field

By Sue Cameron

BRITISH PETROLEUM is postponing the development of *the Ula field in the Norwegian* sector of the North Sea because of rapidly rising costs.

The consortium of oil companies developing the field—led by BP Petroleum Development Norway, with a 57.5 per cent *interest — originally* expected development costs to total *NKr* 6.8bn (£577m). But now it is thought that the cost will be nearer NKr 10bn.

BP yesterday stressed *that* it had postponed the development *only. It* had *not abandoned* plans for Ula altogether.

The company said part of the increase in costs was the result of a tightening up of technical regulations by the Norwegian Government. This had caused a "*sudden rise*" in *offshore* drilling rates.

One change in the regulations would have meant that BP, the *operator on the field*, would not have been able to use an exploration drilling rig. It would have had to use a production rig, which would have been more expensive. The company said it was now to study *alternative ....development* proposals. A final decision on the development of Ula would be taken in September.

The Ula field, which is on block 7/12, is estimated to contain 20m tonnes of oil and 2bn cubic metres of gas.

BP said the field had always been *marginal*.

Nuclear accord with Australia

By John Wyles in Brussels

AUSTRALIA *and Euratom have* ended 18 months of negotiations with *an important draft agree*ment on safeguards which will govern EEC purchases of Australian uranium and en*riched* uranium.

The proposed agreement, which has yet to be ratified by Australian and Community Governments, parallels bilateral accords which have already been made with France and the UK. It will clear the way for long-term supply agreements with other *Community countries* which are diversifying their *energy sources into nuclear* power.

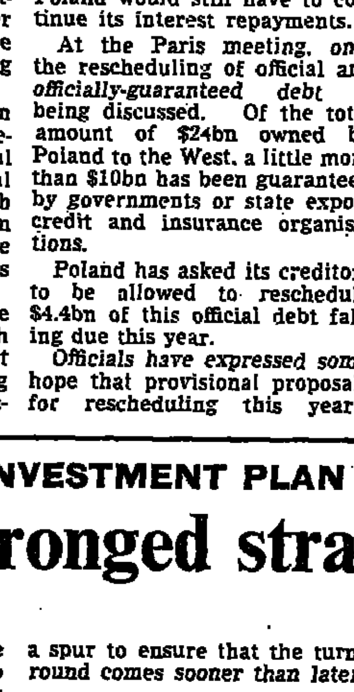
Australia's main concern during the negotiations has been to ensure that none of its uranium will be used for military purposes by the purchas*ing countries and that it will* not be passed on to third countries for use in explosive devices.

'France will eventually have to choose between blind repression and negotiation.' **David White,** recently in Ajaccio, reports

Corsica's violent wind of separatism

BOMB ATTACKS in Corsica last year totalled a record 463. *They go on unabated. On one* night this year more than 50 bombs went off. On another, an entire new holiday village was dynamited. Anybody might think the island's future was in the balance. But this is France, *not Spain, and definitely*—as the authorities are ever-anxious *to emphasise* — not Northern Ireland.

In five years, the Corsican National Liberation Front has established itself as the most active of France's underground regional separatist movements. *In that time the Government* has stood firm against any *devolution. The remainder of* the political spectrum is spread out between the two, with widely-differing ideas of "regionalism" and, as the French presidential election approaches, no consensus on the issue between any two parties.



The main legal autonomy movement, the Corsican People's Union, has just taken the *unprecedented step of call*ing on its supporters to vote—*against President Valery Gis*card d'Estaing. The party has always snubbed *elections*, either because of its contempt for *French politics*, or because of the low scores autonomists have received on the few occasions when they have stood for office, or because of the wide range of political sympathies in the party's own midst.

The Socialists' proposal for a special regional statute is not *what the* Corsican People's Union wants, but an opposition *victory would, it hopes, reduce* tension, bring about an amnesty and the dissolution of the State Security Court, and — after a legislative election three years ago in which the islanders sacked two opposition MPs and *filled all their four seats with* Gaullists—provide a necessary break in the political statemate.

The autonomy movement is in crisis, rent by factional divisions, which were there from the start in the 1960s under Corsican Regionalist Action, an uneasy mix of petite bourgeoise and left-wing intellectuals.

The Corsican People's Union, an offshoot founded in 1977 with many farmers and tradesmen in its ranks, has moved progressively from economic demands, some of which have been fulfilled, to a political programme which would give more autonomy, for instance, than neighbouring Sardinia gets from Italy. Paris would be left to *look after foreign policy*, defence and the franc; some of the more resented non-Corsican interests would be expropriated; and savings would be pulled back from the mainland.

But the party, formed with the most *charismatic of autono*mist politicians, Dr. Edmond Simeoni, as its figurehead, has failed to make itself into a real popular movement. Although it claims 20,000 supporters, some of its backing has dropped off as Paris has pumped money into the island. Many consider it to have been outflanked by the clandestine Corsican National Liberation Front, whose violent methods it condemns. Some *party members have left to* join the "Front."

It has to fight against allegations by the authorities — including M. Claude Vieilles*cazes, regional prefect* and Paris's top representative on the island—that there is a *de facto* complicity between itself and the Front. M. Vieillescazes says party members are easy recruits for occasional acts of *terrorism*. He cites the example of last year's incident at *Bastelic, which ended with a* hotel siege in central Ajaccio and three deaths.

Several party members were jailed recently for their role in kidnapping alleged anti-autonomy hit-men. Another man is accused of taking part in an attack by the Front on police *guards outside the Iranian* Embassy in Paris.

The Front aims for complete independence, a manifestly unpopular *idea* among Corsicans: most think 100 miles is already far enough from the mainland. Opinion polls have never shown more than 1 or 2 per cent in favour.

The Front's "hard core" is estimated at 100 to 150, with 250 in reserve and 60 in jail. *Its explosives are mainly those* sold to farmers for clearing rocky land, but arms of various origins have been found.

The Front suffers from the same ailments of division and disillusion as the Corsican People's Union. Militants *range* from extreme left-wingers to *veterans of the right-wing* "French Algeria" movement with scores to settle. This faction is believed to be strong in the Front's Paris branch.

The regional movement, like party politics on the island, breaks down into little cliques. "Take any three Corsicans," they say, "and you have two clans." The Corsican language uses the same word for "*clan*" and "party."

In the past Corsicans went elsewhere to work—packing the French civil service, customs and police—while others came *to* make their living on the island. *The full-time population of* about 220,000 includes 20,000 to 30,000 mainland Frenchmen or *pinzuti* (pointed ones—apparently referring to the headgear of 18th century French infantrymen), and 34,000 foreigners, largely *farm workers*.

This pattern is changing as young Corsicans tend, by choice or not, to seek jobs at home.

The Government's recent economic programme has been *based on improving* and reducing the cost of transport, fiscal advantages to offset high prices, investment incentives and a sustained spending effort on the island's neglected infrastructure.

Many say *the islanders* themselves have gained the least from recent expansion, especially the tourist boom which brings in 1.2m visitors a year. The growth of tourism has in any case slowed, and the other boom sector—agriculture—is suffering because of excess wine production in the European Community.

Since the early 1960s, Corsica has been marked in two ways by the end of the French empire. First, Corsicans lost a big job market: they formed a *fifth of the colonial civil ser*vice and rather more of the *overseas army. Second came an* influx of French *pied noir* settlers from Algeria after independence, who bought much of the island's eastern plain, a part which up to the Second World War had been a home *for malarial mosquitoes. These* settlers still hold most of the large farms and control the wine market.

If the island has shaken off its lethargy, it has been the turn of the Corsicans, backbone of the former colonial service, to feel in some way colonised.

At the same time, the recognition of the Corsican language and the *teaching of it in schools* has reinforced the islanders' sense of their own identity. Until a few years ago, Corsican was regarded as an Italian dialect and, like Alsatian German, relegated from the status of a French regional language.

The Foreign Legion garrison *there—one of three on the* island—is due to be pulled out *after some unpleasant incidents*. The walls of Corte—Corsica's walls must be among the most graffiti-covered anywhere—are daubed these days with the word *Autodeterminazione*, rallying-cry of a new kind of nationalist committee.

High abstention rates in elections show how uninvolved many Corsicans feel in national *politics, tainted with a tradition* of ballot frauds which the Government has clamped down on but which still abound. Even the dead are known to vote.

The Government's inflexibility towards political change, *coupled with fear of disorder*, may succeed in persuading the vast majority to buckle down and make the most of the system as it is. The risk is that others will drift towards the extremist camp to find a political outlet.

"If things go on as they are," says M. *Xavier Belgoder*, secretary-general of the Cor*sican People's Union*, "*violence* will increase . . . France will *eventually have to choose* between blind repression and negotiation." He believes the wind of autonomy will eventually come round to Corsica. But it will take at least 10 years.

A French policeman on guard in Ajaccio: Corsica's walls must be among the *most* graffiti-covered anywhere.

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U.S. takes first major policy steps in Africa

BY OUR NAIROBI CORRESPONDENT

THE U.S. took its review of its African policy a significant step forward yesterday with the arrival in Nairobi of Mr. Chester Crocker, the Assistant Secretary of State designate for African affairs.

Mr. Crocker will visit 10 countries including South Africa and Angola during his tour. He told reporters in Nairobi that Namibia would be a key issue in his talks with African heads of state.

The visit should go some way towards reassuring African leaders about the Reagan administration's policies towards Africa, especially the apartheid system in South Africa.

Asked what the White House considered the best attitude towards South Africa, Mr. Crocker said it wanted to see purposeful evolutionary change.

President Reagan has caused disquiet in black African countries over his apparent support for the white minority government in Petoria. There has also been anxiety over moves to lift restrictions on supplies for the Unita guerrilla movement fighting the MPLA government in Angola.

Mr. Crocker is expected to try and persuade African leaders that it will work in harness with the other four members of the five-nation Western contact group which is working for a solution to the impasse over Namibian independence.

When Mr. Crocker meets President Daniel Arap Moi of Kenya today he is also expected to raise bilateral issues. The U.S. wants greater access to the Kenyan port of Mombasa for its rapid deployment force in the Indian Ocean.

Kenya is the second biggest recipient of U.S. military sales credits in Africa. It will receive $50m for 1982, with only Sudan getting more.

Brij Khindaria writes from Geneva: The U.S. made a $258m pledge to help refugees in Africa at a conference in Geneva yesterday. The concern of the Reagan administration for the plight of refugees was further underlined in a forceful speech by Mrs. Jean Kirkpatrick, the U.S. ambassador to the UN.

She said U.S. concern for the plight of refugees in Africa was symbolized by the observance of April 9 all over the United States as "African refugees day."

But all Arab countries except Egypt boycotted the opening session of the conference on Africa's 5m refugees.

A row between Israel and the Arabs, described by UN Secretary General Kurt Waldheim as "a procedural difficulty," delayed the conference's start.

The other notable absentees were the Soviet Union and its eastern European partners except Yugoslavia.

S. African car boom may fade, says report

By Quentin Peel in Johannesburg

SALES OF passenger cars in South Africa this year should reach a record 288,000, and sales of commercial vehicles some 134,000, but the rate of growth of the motor industry will be much slower than last year's figure of almost 30 per cent.

Vehicle sales are likely to fall again in 1982 and 1983 as South Africa's current economic boom loses steam and credit restrictions take effect.

These conclusions come in the latest survey of the industry by the Sigma Motor Corporation, one of South Africa's top two car manufacturers which is 75 per cent owned by Anglo American and 25 per cent by Chrysler. The survey also warns that the South African market has to support too many individual models and manufacturers, and there must be further rationalisation.

Sigma's survey, part of a report on the company's activities, comes as General Motors SA, the subsidiary of the U.S. motor manufacturer, reported its most successful first quarter since the company was established in 1926. The company, which ranks among the top six in South Africa with Sigma, Volkswagen, Ford, Toyota and Datsun, sold 12,338 cars and commercial vehicles in the quarter against a previous record of 11,992 in 1965.

Industry-wide figures for the first quarter have yet to be published, but the February figures showed an increase of some 20 per cent in car and commercial vehicle sales over the previous 12 months.

Last year's sales of passenger cars reached a record 277,000, almost 30 per cent up on 1979, but the dramatic increase was largely a reflection of the prolonged slump in the industry in previous years. This year's forecast increase is only about four per cent.

In spite of their relative optimism, motor manufacturers are worried both about skill shortages in the industry and the inflationary effects of the Government's local content programme.

An aggressive foreign policy is bearing fruit, writes **David Housego,** recently in Taipei

China's woes delight the masters of Taiwan

NOBODY COULD be more delighted than the Taiwanese by Peking's present economic difficulties and the damage to its image as a trading nation since it abruptly cancelled multi-million dollar international contracts.

Over the past three years, the anti-Communist Kuomintang Government of President Chiang Ching-Kuo has suffered the psychological blow of seeing its main ally, the U.S. break off diplomatic relations, bringing in tow such unpleasant consequences as expulsion from the International Monetary Fund and the World Bank. It has also watched pained as the other major industrialised nations have been dazzled by Peking's promises of riches to companies participating in developing the mainland's resources.

The Government of President Chiang Ching-kuo, right, has two reasons for nervousness: the threat of absorption by the mainland, and demands for majority rule by indigenous Taiwanese, some 80 per cent of the population. Exiles from mainland China have hitherto dominated party, government and the armed forces.

Taiwanese officials, with their low regard for the competence of Peking's Comunist regime, always thought this a pipe dream. Now that disillusion has set in they cannot resist a smug "I told you so."

But they have other causes for satisfaction. They do not expect President Ronald Reagan's Administration to keep rash promises about Taiwan made in the election campaign. But they do believe Washington is ready to sell it F16/79 or F5G defensive fighter aircraft—however much it angers Peking — and that they will be able to re-open offices in Boston and Atlanta denied them by former President Jimmy Carter.

Taiwan has been pursuing a more aggressive foreign policy since Washington normalised relations with Peking and showed how vulnerable Taiwan had become because of its dependence on the U.S. That policy has begun to bear fruit.

It was the forcefulness of Mr. Chu Fu-Sung, the new Foreign Minister, which brought the Dutch to risk Peking's wrath by selling submarines to Taiwan, thus achieving the island's most spectacular success in enhancing links with Europe.

West Germany will be setting up a trade office in Taipei this month. And the talks with European Community Governments over Taiwan's offer of further preferential tariffs for European products have added to Taiwan's status.

The bait Taiwan has to offer is a record of economic success which surpasses the mainland's, and a larger volume of international trade—$31bn in 1979, compared with China's $29bn. As a result of the submarine sale, the Dutch have won further equipment orders.

It is being hinted that other European companies will be considered favoured bidders for nuclear power plant equipment and other infrastructure contracts. As with Taiwan's purchase last year of the European Airbus, such orders are also intended to offset protectionist pressure in Europe against Taiwan's own exports of televisions, footwear and textiles.

Taiwan is also looking abroad for more funds to finance its development programme, thus making it more attractive to European banks, which are being favoured among the institutions seeking offices in Taipei. Taiwan raised $1.2bn in commercial credits in 1980 —a fourfold increase from 1979 —and expects to raise over $2bn this year. With its high standards of education and large tax allowances it is also sucking in impressive flows of foreign investment, which reached a new peak last year of $480m. Philips is the largest foreign investor in the fast-expanding electronics industry, and Grundig is enlarging its television factory.

All this provides a welcome boost to confidence in an island of 17m overshadowed geographically by a mainland with a population of over 1bn, and which proclaims Taiwan as the smallest (though most prosperous) province in its empire. The Taipei régime is now recognised by a meagre cluster of only 22 nations.

In off-guard moments, Taiwanese officials themselves speak of deep-rooted insecurities and fears about the future. Can the island maintain its separate identity indefinitely? Where will their children grow up and work? These are particularly hard questions for the "mainlanders" — the 20 per cent of the population who fled after the Communists took the mainland in 1949—who cannot conceal their passionate curiosity about all that happens across the water.

Peking has become increasingly skilful in playing on these uncertainties. It has never relinquished its right to take Taiwan by force. But it also holds out blandishments of trade with the mainland, travel, increasing cultural contracts, family reunions and prestigious jobs. An official told recently how he had received a letter from a brother still living on the mainland, speaking of the hardships of the Cultural Revolution but adding that life was much better now and that he hoped one day soon they would meet again. After 30 years of separation it is tempting to think this is an appeal from the heart rather than planted propaganda.

The Kuomintang Government's major fear is of this poisoned chalice of absorption by assimilation. But the party leadership is also nervous at the demands of the more vocal indigenous Taiwanese—some 80 per cent of the population—that government be by majority rule.

It was in part the frustration at being accorded second-class status that lay behind the riots in the southern town of Kaohsiung in December 1979.

The shock of that incident speeded up reforms to bring more indigeneous Taiwanese into Government.

The combination of economic success and more political confidence none the less means the regime is not as repressive as it was. It is also backing down from some rigid Kuomintang doctrines left untouched since the 1930s when the party still held power on the mainland.

But the Kuomintang cannot go too far in dismantling old orthodoxies. The legislative assembly still includes so-called representatives of the mainland provinces and has an average age of 75. The threat from the mainland justifies the spending on the military and security forces which absorb 40 per cent of the state budget. Strong vested interests thus continue to prop up the fantasies of bygone years.

Mrs. Gandhi warns on Pakistan nuclear capacity

BY K. K. SHARMA IN NEW DELHI

MRS. INDIRA GANDHI, India's Prime Minister, yesterday warned that her Government would act in the "appropriate way" if it found Pakistan had developed or acquired nuclear weapons.

Replying to a Parliamentary debate on the Defence Ministry, which is directly under her charge, Mrs. Gandhi pointed out that so far reports that Pakistan was developing nuclear weapons had come only from Western sources and that Islamabad had itself denied plans to develop this option.

But India was carefully keeping track of developments and would respond appropriately.

Mrs. Gandhi also spoke of the dangers from the Reagan administration's decision to supply Pakistan with military aid. She said the Indian Government had expressed its concern and was watching the situation carefully and improving its own defences.

India detonated an underground "nuclear device" in the Rajasthan desert in May 1974, during Mrs. Gandhi's first term as Prime Minister.

Japanese unions head for modest pay deals

BY RICHARD C. HANSON IN TOKYO

MAJOR JAPANESE labour unions in the manufacturing sector appear to be settling for a second year of modest pay increases averaging about 7 to 8 per cent, compared with a rise of less than 7 per cent in 1980.

This year's spring wage offensive passed a critical peak yesterday when management in the steel, motor, electrical and shipbuilding industries presented unions with their "final" wage offers.

Leaders of the Japan Council of Metalworkers' Unions (IMF-JC), which represents nearly 2m workers in those industries, said they were not "100 per cent satisfied." But the offers are almost certain to be accepted.

Companies in recent years have not made public a final offer until a settlement has been negotiated with union leaders.

The union leaders themselves are still smarting from the fact that last year they accepted, on behalf of the rank and file, a basic wage increase which failed to keep up with inflation. The result was a real loss in income during the year averaging more than 1 per cent.

Despite this loss, this year's wage offensive has been remarkably tame so far. It remains to be seen whether the restraint will continue through negotiations in the non-manufacturing sectors, especially transport workers who are scheduled to strike in two weeks.

Normally, however, wage settlements nationwide tend to follow the lead of the IMF-JC and this year is not expected to prove an exception. Even the militant unions representing national railway workers will find it difficult to press too strongly for wage demands. It is believed that their strike "war chests" have been reduced substantially over the past year.

The activity leading up to yesterday's offers indicates once again how close union and management thinking has become in recent years when considering their own interests. This year, the leaders of the national union organisations settled early in the year on a goal of wage increases of about 10 per cent.

This remained the target despite the fact that it was based on the assumption that inflation would be lower than it actually was.

Lebanon ceasefire holding

SAADNAYEL, Lebanon — A ceasefire declared after eight days of fighting was shaken yesterday by firing in several parts of Lebanon, but for the most part appeared to be holding.

The Red Cross used the lull to evacuate 28 seriously wounded people from Zahle.

But artillery fire could be heard early in Saadnayel, a village close to Zahle.

In Beirut, some small-arm and mortar fire was also reported and Beirut radio said two Israeli jets broke the sound barrier over the capital.

Reuter

Interest rates may top Group of Five agenda

BY JOHN MAKINSON

FINANCE MINISTERS of five major industrialised countries will meet in London over the weekend to discuss an agenda ranging from the crisis in Poland to the level of inter*national interest rates.*

Ministers from the so-called Group of Five—the U.S., Japan, West Germany, France and Britain—meet regularly in private to discuss international *monetary problems.*

This time they are likely to give close consideration to the high level of international interest rates and France may put forward proposals for interest *rate "disarmament" — a policy* of co-ordinated interest rate reduction by the major industrialised nations.

Any such approach would be unlikely to receive a universally *sympathetic hearing. The U.S.*, in particular, is known to oppose any sudden fall in interest rate levels. Mr. Beryl Sprinkel, the Treasury under-secretary for monetary affairs who will attend *the meeting, said in Washing*ton: "The way to get interest rates down is to pursue policies of slow and moderate money supply growth.

"Some Europeans still like to *look at the world through Key*nesian spectacles," he added.

The meeting will mark the international debut of Mr. Donald Regan, the new U.S. Treasury Secretary. Herr Hans Matthoefer, the West German Finance Minister, is ill and will *be represented by Dr. Horst* Schulmann, the State Secretary at the Ministry.

It is expected that International Monetary Fund financing will also be a high priority *on the agenda. The IMF* announced last month that it needed to raise an additional 6-7bn Special Drawing Rights or about $7bn-$8bn in lines of credit this year. Saudi Arabia has already agreed to provide 4bn SDRs but a further 1bn is expected from industrialised nations.

The financing will probably be provided by central banks through the Bank for International Settlements. Ministers will be accompanied over the weekend by their central bank governors, who will meet again at the BIS monthly meeting in Basle on Monday to hammer out further details.

A financing package is expected to be in place by late *May*, when the policy-making *interim committee of the IMF* meets in Gabon.

Businessmen to advise NY transit operators

BY IAN HARGREAVES IN NEW YORK

A GROUP of New York businessment is expected to start work soon on advising the operators of New York's mass transit system about aseries of management and operational improvements.

About 20 executives from New York companies will probably be drafted to join the team, following publication of a report by the Economic Development Council of New York, a businessment's civic action group formed by Mr. David Rockefeller, chairman of Chase Manhattan Bank.

The council's report went into considerable detail on how the system's chronic ills can be made good, but concentrated on pointing out ways in which the application of consistent management principles and use of such tools as computers could be improved.

The proposed involvement on a loan basis of businessmen is not new for the city, but it comes when the city's buses and subways are suffering from a financial squeeze, which will be made worse by the economies proposed by the Reagan Administration.

Last year was the worst on record for service levels in the system. The bus service was made worse by the breakdown *of a fleet of new Grumman* buses. Underground railway services have continued to deteriorate because of poor maintenance, old equipment and a still unchecked crime problem.

INTER-AMERICAN DEVELOPMENT BANK MEETING IN MADRID

The hole in Latin America's future

BY HUGH O'SHAUGHNESSY,

ONE MUST give Sr. Antonio Ortiz Mena, president of the Inter-American Development Bank, full marks for frankness. With 2,500 bankers from around the world crowding into the Congress Palace in Madrid on Monday to hear King Juan Carlos declare open the bank's first annual meeting held in Europe, its chief executive resisted the temptation to portray Latin America's next decade as a time of honey and roses.

Instead of delivering a set of platitudes which would soothe those who have lent their money to Latin America, Sr. Ortiz Mena reminded his listeners that the region was one where enormous efforts had to be made to provide new supplies of food for the inhabitants, where the flight from the country to the cities was causing unimaginable social problems, and where someone had to spend $300bn in the next decade to find new sources of energy. On top of that, the Latin Americans, he said, had to cure themselves of the habit of *using petrol like water.*

All those problems and others, he implied, would demand major, painful sacrifices in the 1980s. The outlook was in fact stormy.

But as the bank started on its second decade of activity, its president could look back with some justifiable satisfaction on a period of very rapid growth for his organisation. The bank's resources, which in 1971 came to only $6.4bn, today stand at $23.9bn, and last year the bank set new records in its activities, including the approval of $2.3bn in new loans. Cumulative lending had by the end of last year reached nearly $18bn. From being a very small regional development bank indeed 20 years ago, it had grown to a very important source of finance for Latin America and the Caribbean.

The question on everyone's lips as the king inaugurated *the deliberations was how it* could continue rapid but sound growth in the face of some reluctance by its main shareholder, the U.S. Government, to ante up new money. The first *cloud on the financial horizon* came last June, when the U.S. Congress authorised only 90 per cent of the sum that President Jimmy Carter's officials had pledged the U.S. to contribute to the bank's latest capital-raising exercise.

That threw a lot of calculations out, for other countries' commitments have to rise *pari passu* with those of the U.S. Government. As a result, the bank lost some $350m in new money it was expecting from all its shareholders.

Thus all eyes focused on the *leader of the U.S. delegation*, Mr. Timothy McNamar, Deputy Treasury Secretary, when he rose to speak on Tuesday. From the bank's point of view the message he brought could have been worse, but it could also have been a lot better. The Reagan Administration would, he said, seek to persuade Congress to commit the money the U.S. Administration had pledged. But, Mr. McNamar added, no guarantees could be given for the future.

He accompanied this message with a tough restatement of Reaganite resolve to cut federal spending and taxes which cannot have made happy listening for those, like the bank's officials, who were chasing new financial commitments from Uncle Sam.

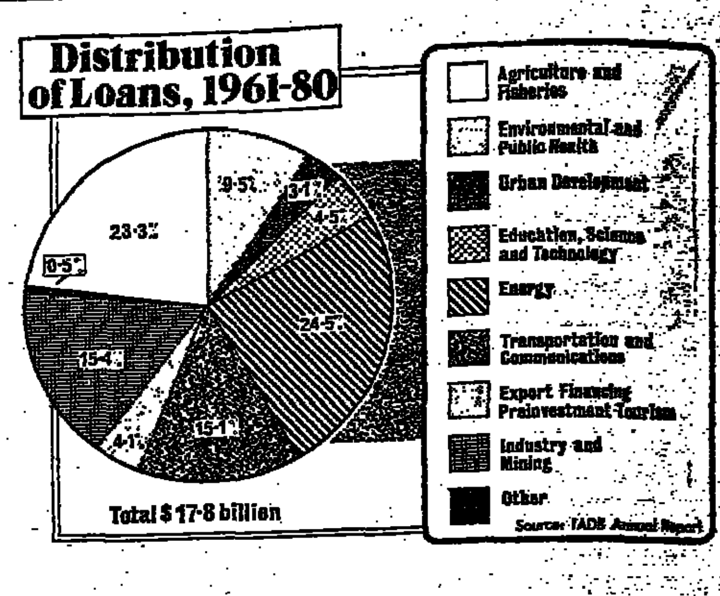
Now, as officials and guests make their way home, the bank must make up its mind whether it will live with continuing uncertainty about the intentions of a government which, at the *end of last year, had put in* $5.2bn of the bank's total capital of $15.1bn.

At this juncture, attention turns to the Europeans. In the 1970s, the bank took the decision *to enlarge its full membership* from countries of the Western Hemisphere to European and Asian countries which had expressed interest in joining. Thus Austria, Belgium, Denmark, *Finland, France, West Germany*, Italy, the Netherlands, Portugal, Spain Sweden, Switzerland, the UK and Yugoslavia, among the Europeans, and Japan and Israel took up about 8 per cent *of the bank's capital.* European interest has since become keener and last year the West Germans, Spaniards and French were pressing for a greater share in the bank's affairs. The *interest* was fuelled by the access to major capital projects that bank membership gives. The calling of this week's meeting in Europe and the decision that henceforth one meeting in four will be held on this side of the Atlantic has underlined the European interest, as has Norway's decision to seek to join the bank.

A greater European commitment, resisted though it might be in some quarters, would be one way of allowing the bank to maintain the impetus of its growth despite U.S. policies.

Other ways could include a move from the bank's traditionally cautious ratio of loans to assets. The British Government is in favour of such a course. Alternatively, the bank could seek such new financial strategies as the "brokerage" role of putting investors in touch with major capital projects, providing some of the finance and overseeing the whole operation.

All these strategies are to be discussed at a special meeting in October. "By then," remarked one senior bank official, "the Reagan Administration will have settled into office. And we will have got down to the hard lobbying job on Capitol Hill that we should have started years ago."



Justice Department will press AT and T case

BY PAUL BETTS IN NEW YORK

THE NEW head of the U.S. Justice Department's anti-trust division, Mr. William Baxter, said yesterday that the department's *six-year-old anti-trust* suit against American Telephone and Telegraph (AT and T), the country's predominant telephone company, was sound and that he intended to "litigate it to the eyeballs."

Mr. Baxter, a Stanford University Law Professor who was recently sworn in as head of the anti-trust division, said the department was none the less interested in discussing a settlement of the suit, although no settlement negotiations with AT and T were under way at present.

Before the trial resumed in February, there were signs that the Justice Department and AT and T were close to reaching a settlement, but negotiations subsequently fell through. The *Justice Department is charging* AT and T with monopolising the U.S. telephone market and wants the giant telephone company to be split up. In particular, it wants AT and T to divest itself of Western Electric, its principal manufacturing subsidiary.

Mr. Baxter also confirmed yesterday that he had received a letter from the U.S. Defence Department urging the Justice Department to drop its law suit because a split up of the telephone company could *weaken national security.*

A classified document was leaked in Washington this week which disclosed that Mr. Caspar Weinberger, the Defence Secretary, had written last month to the Attorney General urging him "very strongly" to dismiss the anti-trust case.

But Mr. Baxter said yesterday he thought the break up of AT and T could be accomplished without endangering U.S. military communications.

The anti-trust case, the largest anti-trust action ever launched by the Justice Department, is now boiling up into a major political issue. Indeed, the Department appears, at this stage, to be isolated within the Government in its efforts to pursue the case.

Bolivian regime is challenged by an exile

Sra Lidia Gueiler, who was overthrown by the armed forces last year as interim President of Bolivia, is forming a Bolivian liberation front to try to re-establish constitutional government. AP reports from Lima. Sra Gueiler said, in the Peruvian capital, that she still considered herself to be Bolivia's legitimate President.

In La Paz, Reuter reports, President Luis Garcia Meza said Bolivia would resume participation — suspended since the end of last year— in the Andean Pact economic grouping.

Salvador coup threat

Sr. Jose Guillermo Garcia, El Salvador's Defence Minister, has given warning of a possible coup aimed at toppling the ruling junta. AP reports from San Salvador. He accused "former junta members," whose primary objective, he said, was to destroy the military.

Massive debts expected to delay Itaipu inauguration

BY RIK TURNER IN SAO PAULO

MASSIVE DEBTS to contractors working on the transmission lines for Mrazil's $12bn hydro-electric dam at Itaipu are likely to delay its planned inauguration in 1983.

Furnas, the state company responsible for the transmission lines to Sao Paulo, owes the Swedish and Swiss contractors over Crs 2.7bn (£16.3m). *It is* attempting to obtain a budget supplement from the central Government to keep the first lines on schedule.

Two separate transmission systems, one on AC and the other on DC, are required because Itaipu is shared jointly with Paraguay, which uses a different electric current to that of Brazil. This has complicated the task

Asea Brazil, the local subsidiary of the Swedish company, is owed a total of over Crs 2bn, half o which represents payment delays *on the DC line, which* is due in operation first, in two years' time. The remainder is for equipment provided for the later AC line.

In addition, Brown Boveri's Brazilian subsidiary is owed about Crs 600m by Furnas for the AC line which the state company is attempting to re*schedule.* Four 800 Kw transformers are being stored in Brown Boveri's Sao Paulo warehouse awaiting delivery.

According to Herr Franz Voegli, head of Brown Boveri's *local operation, Electrobras, the* Government organisation in overall charge of the installation of electric capacity, owes his company Crs 1.5bn. About 40 per cent of this sum is due from Furnas, a subsidiary of Eletrobras.

While the DC line may still be up in time to meet the schedule for the completion of Itaipu's first two generators, both of which will provide DC current, it is unclear at present when the AC line will be ready.

Sr. Carlos Nunes Dias, president of Asea Brazil, said that *Furnas recognised the serious* nature of the problems on the AC line and would be compensating the contractor for the extra costs involved in the rescheduling of work.

Canada delays review of investment Act

By Victor Mackie in Ottawa

CHANGES proposed for the Foreign Investment Review Act in Canada are not now expected to be introduced in Parliament until later in the year, according to Mr. Herbert Gray, Minister of Industry, Trade and Commerce.

The changes, outlined a year *ago, were expected to be intro*duced early this year.

Mr. Gray explained to reporters that he intended to introduce three measures affecting the Act. These would include provision for a review of major, foreign-owned companies to determine whether they met the test of bringing substantial benefit to Canada.

In addition take-overs of companies in Canada by foreign concerns would have to be made public before they were accepted by the Government, so that Canadian-owned *companies could make counter*offers.

There would also be financial assistance from the Government for Canadian companies to enable them to make bids.

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Europeans to take tough line on MFA

By Giles Merritt in Brussels

THE EUROPEAN Commission has agreed a tough negotiating line to take at the forthcoming Multifibre Arrangement (MFA) negotiations with Third World and other textile exporting nations.

In a document that it is now to submit to the EEC Council of Ministers as its negotiating mandate, the Brussels Commission has adopted a "divide-and-rule" approach that would discriminate against the more developed textile exporters such as Hong Kong, South Korea and Brazil.

The Brussels proposals also warn that the 6 per cent yearly growth rates in EEC textile imports contained in the MFA, which expires at the end of this year, will be out of the question in a new five-year MFA successor deal. The Commission underlines that the EEC textiles market is due to grow by only 1 per cent yearly on present trends.

But officials representing textile exporting countries involved in the 24-nation MFA talks with the EEC yesterday reacted sharply to the Commission negotiating stance. They pointed out that similar moves by the Community allegedly favouring the poorer textile exporting countries in the current MFA failed to produce real advantages for them.

The aim of the MFA when first devised in 1973 was to liberalise international trade in textiles. Its shift toward being a device for protecting EEC textiles has been evident since 1977.

Although the Commission approach to the MFA talks that will open in Geneva in the GATT framework later this year is more stern than some Brussels textile experts had anticipated, there are fears that EEC member states will still view it as too generous.

The EEC Council of Ministers is not expected to review the Commission proposals until May or June, but in view of the continuing deterioration of EEC textile industries, may insist on awarding the Commission an even tougher MFA negotiating mandate.

Western equipment deals support Russia's search for gold

BY KENNETH MARSTON AND DAVID MARSH

THE SOVIET UNION is stepping up efforts to boost gold production from its open-pit mines in central Asia and the Soviet Far East.

Crucial to the operation of gouging gold-bearing ore out of the heart of Siberia, Moscow so far has had to rely on the West for supplies of heavy earth-moving machinery, specially adapted for use in temperatures as low as minus 40 deg. F.

Business with leading U.S. companies to supply bulldozers and other vital gold-mining equipment has shown no signs of flagging, in spite of the cooling of relations between the superpowers and the sharp decline in U.S.-Russian trade last year.

Two of the main suppliers of heavy-duty earth-moving machinery, Caterpillar and International Harvester, both say that contracts for mining equipment have not been affected by the sanctions on U.S. exports of high technology.

These were imposed following the Russian invasion of Afghanistan at the end of 1979.

Mr. Paul Johnson, vice-president in charge of International Harvester's special markets, says that the relationship with the Russians is "fine." Negotiations are continuing on the purchase of additional earth moving and loading equipment, some of which is used for mining and some for general construction, he says.

Caterpillar says the only contract with the Russians to be affected by the technology embargo is an order to supply Moscow with 100 pipelayers worth $40m. It announced the contract in February, although the Administration must decide whether to grant an export licence before the deal can go through.

Mr. Johnson says that in practice companies from the U.S. and Japan are the only ones that make the earthmoving equipment that the Russians need.

There are signs, however, that Moscow is diversifying its sources of supply.

In January, Fiat-Allis, the U.S. earthmoving equipment manufacturer, 75 per cent owned by the Italian car group, announced that the Russians had placed an order for 300 large crawler tractors with bulldozer blades worth $90m. This was its first big Russian order of this type.

Moscow traditionally keeps silent about the purpose of the equipment. But Dr. Vasily Strishkov, the former Russian mining engineer who is the U.S. Bureau of Mines' Soviet specialist, says the equipment can only be used for gold mining.

The equipment will be manufactured at Fiat-Allis' Springfield, Illinois plant.

Western experts say that Moscow can supply itself the huge dredges used particularly to mine the alluvial deposits in the Far East. The world's largest gold dredge operates on the Mamakan River in the Bodaybo gold region.

Soviet mining technology and exploration techniques generally are thought to lag behind those in the West.

In the area of earth-moving equipment, Soviet-built machinery does not match up to Western standards of reliability, as has been underlined by the poor performance of some of the crawler tractors Moscow has supplied to Third World countries.

The Finns are leading suppliers of mining equipment, some of which is not made in the country but routed through Finland for political reasons.

The Russians used Finnish expertise and the refining process of the Outokumpu company in building the Norilsk nickel and copper smelter.

Figures for Russia's annual gold production have been kept secret since 1926. Most western experts now put the production figure at around 300 tonnes per year — second in the world after South Africa, which produced 674 tonnes in 1980.

Fiat negotiates to set up tractor plants

Fiat and the Soviet Union are at an advanced stage in negotiating agreements for the creation of Fiat plants in the Soviet Union to produce farm tractors and earthmoving equipment, James Buxton writes from Rome.

The negotiations began in earnest about a year ago and have been conducted in great secrecy. But, earlier this week, a Soviet official in Moscow disclosed that talks were taking place and said they were going well. Fiat in Turin yesterday confirmed that they were continuing.

But it was emphasised that agreement was by no means concluded and that negotiations could continue for some time.

It is understood that an important issue in the talks is the question of credit to finance the contracts.

Fiat established the Togliattigrad car assembly complex in the Soviet Union but ceased to have any direct involvement with it more than two years ago.

Unilever chief hits out at EEC

By Paul Cheeseright

BUSINESS exasperation with the practices of the EEC spilled over yesterday when Sir David Orr, chairman of Unilever, the Anglo-Dutch multinational group, said goodwill is being strained by misguided initiatives of the EEC Commission.

He singled out the ninth directive on the harmonisation of company law, which showed ignorance of the way multinational business works, and the proposals for employee consultation which assume that centralisation is the norm while experience shows that decentralisation is the effective way of operating a group structure.

Sir David was speaking at the Netherlands British Chamber of Commerce in London yesterday. His criticism of the Commission took on greater force because it was pitched against the background of remarks designed to express support for the EEC whose achievements, he said, are not properly acknowledged.

He was particularly angered by what he called "a retreat to narrower national interest, a lack of will to find Community solutions." The budget, agricultural and fishing disputes would be more readily solved "if discussion were less public, if posturing for the benefit of electorates could be eliminated."

Sharp fall in Zimbabwe's trade surplus

BY TONY HAWKINS IN SALISBURY

TRADE FIGURES for Zimbabwe in the first full year of international trading by the country since sanctions were lifted at the end of 1979 show that the country's visible trade surplus fell sharply from just over £100m in 1979 to £59m last year.

This was largely the result of a deliberate policy of allowing more imports. These rose more than 38 per cent in volume and 47 per cent in value.

Official figures show that the volume of exports declined by 2 per cent in 1980 from 1979. However, the value of exports increased by 28 per cent.

Because export prices rose faster than import prices Zimbabwe's terms of trade improved 21 per cent and regained the levels experienced in early 1978.

Detailed trading figures show that gold exports, valued at £95m, held first position in terms of commodities, followed by tobacco (traditionally the country's leading export) valued at £80m. Ferrochrome exports worth £60m, were in third position and steel (£45m) came fourth followed by nickel (£28m) and sugar (£31m).

Balance of payments details for the year are not yet available but these are expected to show a substantial deficit on current account, arising out of the large deficit on invisibles. An overall payments deficit on both current and capital accounts of at least £40m is expected against a surplus of about £65m in 1979.

Zimbabwe's main import was oil valued at £120m and accounting for just over 21 per cent of total imports.

Zaire plans new smelter

BY JOHN WICKS IN ZURICH

A CONSORTIUM has been formed to build a large aluminium smelter project in Zaire, according to a commision formed by the Zaire Government and the Alusuisse group.

Apart from Swiss Aluminium, the Zurich-based parent company of Alusuisse, the operating consortium is to comprise Vereinigte Aluminium-Werke, of Bonn, the Italian state company MCS and the Yugoslav corporation Energoinvest, of Sarajevo.

Discussions with possible further partners is continuing and the final constortium is expected to the set up before the end of the year.

Apart from creating a 150,000 tonne aluminium smelter, the consortium will help Zaire use its free capacity at the Inga hydro-electric complex. The scheme, the cost of which was put last year by alusuisse at some $640m (£292m), would provide 2,000 jobs.

West feels chill from fall in U.S. and Polish coal supplies

BY MARTIN DICKSON, ENERGY CORRESPONDENT

CONCERN IS mounting in the international coal trade over the combined effects of the U.S. miners' strike and continued political upheaval in Poland on the West's coal supplies.

The two countries accounted last year for more than half of the 200m tonnes of coal traded internationally. But Poland's output has been hit hard by the political battles of the past nine months and U.S. exports are diminishing because of the United Mine Workers' Union strike which began on March 27.

Dealers say there is as yet no panic. Demand for metallurgical coal is slack anyway because of the recession in the steel industry while a mild winter and stock-piling in anticipation of a miner's strike has left the European electricity supply industry—a major user of steam coal—with reasonable stocks.

Striking Polish coal miners in front of St. Barbara, their patron saint

Nevertheless, anxiety is mounting at the possibility of a strike in the U.S. lasting several months.

Strikes and the introduction of a five-day working week in the Polish mines began to affect that country's exports last year. It sold 32m tonnes to both the West and other Eastern Bloc countries compared with 41m tonnes in 1979.

This year the total will be lower still. Dealers say most Western countries expect to get no more than 40 to 50 per cent of their 1980 supplies — and some far less. Furthermore, a Soviet invasion could spell a total cutoff.

There is considerable country-by-country variation in the Polish supply position. States which pay in advance for their coal seem to be getting greater supplies, while the Poles seem to be concentrating on the export of higher-quality grades to ensure the greatest foreign exchange earnings.

West Germany, France, Holland and Finland appear well placed to get some Polish coal, but Denmark's position looks less bright.

When the Polish troubles began many European buyers looked to the U.S. to meet the shortfall—only now to find their American supplies in jeopardy.

The U.S. exported 94m tonnes last year—68m tonnes of metallurgical coal and 26m tonnes of steam coal—a 50 per cent increase on 1979.

This year a more modest growth had been expected, with a decline in metallurgical sales nearly offsetting a sharp increase in steam coal trade. The major growth sector for the future.

But the UMW strike means all bets for this year are off. The strike is only just beginning to have an effect on exports since substantial supplies were already in the transport system when the miners' downed tools. But by mid-April exports may be sharply lower. In the U.S. itself, the strike will take much longer to have an impact since U.S. utilities have nearly four months' worth of coal stockpiled.

Already the queue of ships off the East coast—at one point more than 160 vessels were waiting—has started to diminish. But U.S. exports will not stop completely: a large number of non-union pits are continuing to work, mostly shipping their coal out through the Gulf ports of Mobile and New Orleans, which last year handled just over 6m tonnes of exports between them.

Traders looking for substitute sources of supply are likely to have little joy. Port congestion and labour problems mean Australia can add little to its 1980 export tally of 37m tonnes, while Richards Bay, the main South African terminal, is loading at its maximum 24m tonnes a year.

Government urged to halt de-nationalisation plans

BY JOHN ELLIOTT, INDUSTRIAL EDITOR

THE GOVERNMENT was called on yesterday by a leading nationalised industry chairman to help develop a stable industrial policy by abandoning its plans for handing parts of the State-owned industries back to the private sector.

Speaking at the start of his term of office as chairman of the Nationalised Industries' Chairmen's Group, Sir Robert Marshall condemned what he called the "poison" of the polarisation of nationalisation and de-nationalisation policies of Left-wing and Right-wing politicians.

"This Government is simply talking up an outdated policy which I personally deplore. Stability is terribly important," said Sir Robert, who is chairman of the National Water Council.

Ten years ago he was a Permanent Secretary at the then Department of Trade and Industry.

Sir Robert Marshall

Asked if he thought that stability would be helped by the Government's abandoning its plans for de-nationalising and "privatising" State-owned industries, Sir Robert said: "Personally I would be very pleased if the Government did stop it.

"We want stable régimes and financial programmes going forward several years."

Not all State industry chairmen would agree with Sir Robert about privatisation. But the strength of his remarks stems partly from the growing frustration among the chairmen about Government limits on their investment programmes.

Sir Robert's Water Council has major investment plans for the sewerage system—what he called his industry's "underground assets."

Other industries, including British Telecom and British Rail, are pushing their own investment programmes, proposing a variety of ways of linking up with private-sector capital.

The Chairmen's Group is also mounting a more wide-ranging exercise aimed at freeing their industries from the constraints of the public sector borrowing requirement and some aspects of their external financing limits.

They have commissioned a report from a committee headed by Mr. Michael Posner, an academic economist who has been a deputy chief economic adviser in the Treasury and who is an expert on nationalised industry financing.

Mr. Posner's committee will produce a report in the summer explaining in detail how nationalised industry financing could be freed from some spending controls.

"Taking our industries out of the PSBR is a very good slogan but it is not a precise programme. We must explain to the Treasury how we think it can be done," said Mr. James Driscoll, director of the Chairmen's Group.

Meanwhile a number of corporations have been approached by City institutions offering methods of raising private-sector finance.

The general public spending issue, and the plans of individual industries, have been discussed at regular informal meetings between the Chairmen's Group and the Bank of England.

At present the group is content to continue dealing with the Treasury on its plans. But Sir Robert said that if no progress was made by the end of the summer a direct approach to the Prime Minister might have to be considered.

Golden handshake is 5% of Fisons' pre-tax profits

FISONS, THE troubled UK chemicals group, has given a £193,000 golden handshake to Mr. Ron Bounds who lost his job as the company's chief executive following a board room reshuffle last summer, writes Sue Cameron.

Details of the payment—equal to 5 per cent of Fisons' £3.833m pre-tax profits last year—are given in the group's annual report released yesterday.

The company may also have to make a similar payment to Sir Ronald McIntosh, who was to succeed Sir George Burton as Fisons' chairman this year. Sir Ronald announced he would not do so after another boardroom reshuffle last month and is not going to stay on as a director as had been expected.

It is thought that Sir Ronald, like Mr. Bounds, had a three year contract with Fisons and may claim payment in lieu of the chairmanship. Fisons said Sir Ronald would not be continuing as a director "at his own request." The company refused to comment on whether he too would be given a golden handshake.

Mr. Bounds is now finance director of May and Baker, the pharmaceutical company that is part of the French-based Rhone-Poulenc chemicals group.

It is understood that he was paid £60,000 a year as Fisons' chief executive and that £170,000 of his £193,000 payment represented the unexpired element of his three year service contract.

His £170,000 has been paid into a pension fund. The report says: "In addition, there was agreement that he should receive a further £23,000."

Mr. Bounds, who has been replaced as chief executive by Mr John Kerridge, lost his post last June. The company made it clear at the time that it felt it needed "stronger management" at the top.

Fison's report also shows that the company paid £10,000 into Conservative party funds last year. But the company, which is closing its offices in London's Mayfair and which has given up its box at Covent Garden in an effort to cut costs, said it would not be paying anything to the Conservatives this year.

Fisons last year made a net loss of £16.827m against net profits of £12.134m in 1979. Pre-tax profits fell from £17.341m in 1979 to £3.833m last year.

Sir George Burton says in the report that the business "clearly needs substantial restructuring to be able to trade with profit in a hostile environment."

NCB asks Government for more in subsidies

By John Lloyd.

THE NATIONAL COAL Board is pressing the Government for a broad range of subsidies which would bring the NCB's subsidy package to well above £200m, which the NCB previously said would be the maximum.

The Government has already agreed to fund the losses in 23 pits previously earmarked for closure, but reprieved after the threat of a miners' strike. The cost of this is put at £69m.

It has said that it will give aid to cut the cost of coal sold to the Central Electricity Generating Board in place of imported coal.

Mr. Joe Gormley, president of the National Union of Mineworkers, said yesterday that the NCB told the union that it sought to have the CEGB cut imports to nil in this financial year.

Mr. Gormley, who reported on progress of the NCB-Government talks to yesterday's meeting of the union's national executive council, said the council had sent a letter of concern over "lack of speed" in completing other measures agreed with the Government.

These include:

- Subsidies for coal stocks, now at very high levels.
- Subsidies for coking coal production.
- Assistance to the Scottish NCB area, where a surplus of 1.5m tonnes of coal is expected when the Peterhead gas-oil power station comes on stream next year.
- Agreement on a new and more flexible financial framework, including deferment of interest charges.
- More support for research and development, and in particular setting aside of £60m for the pilot coal liquefaction plant at Point of Ayr colliery, North Wales.

BICC threatens to abandon plan to make optic fibres at Shotton

BY ROBIN REEVES, WELSH CORRESPONDENT

BICC, the leading UK cable manufacturer, is threatening not to proceed with a £15m project to make optic fibres at Shotton, North Wales, because of the Welsh Office's refusal to grant the scheme discretionary interest relief under the Industry Act, 1972, Section 7.

BICC is planning the project as a joint venture with the U.S. Corning Glass Company. Initially it would produce 50,000 kms of optic fibre a year and employ 150 people. Eventually it would have the capacity to double output. BICC imports its optic fibre requirements from Corning's U.S. plant.

The British company was informed this week of the Welsh Office's decision to refuse its request for additional aid worth about £1m. However, the Welsh Office said yesterday it considered it was still in negotiation with the company.

Certainly BICC, which reported record 1980 profits of £74.6m this week, has appealed against the ruling and is to meet Welsh Office officials today.

However, Mr. Bill Shankland, managing director of BICC's cables group, said yesterday that unless there was a change of heart the company would be cancelling its option on a 7½-acre site in the Deeside Industrial Park, Shotton, being offered by BSC (Industry).

The Welsh Office appears to take the view that BICC ought to be satisfied with the maximum 22 per cent rate of automatic regional development grants it would receive towards the cost of buildings and equipment.

This stems from Deeside's being designated as a special development area in the wake of the rundown of the Shotton steelworks over the past year, creating more than 8,000 redundancies.

Mr. Shankland said the Shotton site had many attractions, not least being the company's good experience with its two plants, employing more than 1,000, at nearby Wrexham.

But he stressed there were other special development areas in Scotland and England where the Scottish Office or Department of Industry respectively might adopt a more favourable attitude to discretionary aid for the project.

There was even a danger that the project might be lost to Britain altogether, he said. Corning Glass was "desperately anxious" to establish a European optic fibre production plant. It enjoyed a relationship with Siemens in West Germany similar to that it had with BICC.

Fidelity to introduce £200 colour TV

By Elaine Williams

FIDELITY RADIO, Britain's largest audio manufacturer, is to challenge Japanese domination of the small screen colour television market.

It is to introduce a £200 remote control 14 in colour television which it claims is cheaper than sets made by competitors.

Initial output of the small screen sets will be 40,000 a year increasing to about 100,000 by next year. The product is aimed at the fastest growing sector of the television market, estimated to be increasing at 25 per cent a year.

Last year Fidelity introduced a small screen black and white set. It made more than 60,000 sets and it was the success of this model which encouraged the company to invest £20,000 to set up a colour television production line at its North Acton factory which employs about 450 people.

Helicopter contract

BRITISH Airways Helicopters has been awarded a £9m contract by BP Petroleum Development (UK) to use two of the big new Boeing 234 Chinook helicopters to service the Magnus offshore oilfield development in the North Sea.

The contract, due from August 1, 1982, will be for an initial 15 months, with options to extend.

Wine sales

SALES of table wine in the UK are likely to increase by 5 or 6 per cent this year in spite of the recession in the rest of the drinks industry, says the Wine Development Board.

Last year the UK market for light wine reached 60.8m gallons. This was an increase of 6 per cent compared with 1979. Last year the average consumption of wine in the UK per head of adult population was about 15 bottles.

No print action

A GROUP of businessmen have lost their final battle to take the Inland Revenue to court over a "tax amnesty" granted to 6,000 Fleet Street casual print workers.

The 50,000-strong Federation of Self Employed claimed the 1977 amnesty was illegal and an unfair "let off."

The House of Lords has unanimously ruled that no action can be taken.

Aid for drinkers

MR RAY BUCKTON the railwaymen's leader, has called for a system of volunteer counsellors in industry to help workers with drink problems.

He told an alcoholism conference in Liverpool that the volunteers should be backed up with professional advice.

Aluminium foil plant to close

FINANCIAL TIMES REPORTER

SWISS-OWNED aluminium foil manufacturer and converter Star Aluminium is to close its Wolverhampton plant in October with the loss of 450 jobs, because of falling demand in the UK and abroad.

The company, which made 150 people redundant at its Bridgnorth plant late last year, is to transfer its Wolverhampton operations there and increase investment in new equipment. A number of jobs are likely to be created at Bridgnorth, increasing overall employment to about 1,000.

Falling demand has created enough capacity at the plant to transfer operations such as printing of aluminium and the conversion of foil into packaging materials.

A company spokesman said "there has been a significant fall in the market for products such as wrapping materials and the strong pound has reduced our exports, which account for about 25 per cent of production."

Star Aluminium is wholly owned by Alusuisse UK, part of the major Swiss aluminium company, and efforts are being made to ensure more efficient and profitable production. The closure will be accompanied by a general run-down in stocks.

The Simon Engineering group is to wind up Simon VK, its flexographic printing press manufacturing subsidiary, in the next couple of months with the less of 200 jobs at the company's plant at Arrowebrook, Wirrall, on Merseyside.

The company, which produces reel-to-reel flexographic printing presses, web guiding, tensioning and control equipment and converting machinery for the packaging industry, has been badly hit by the strength of the pound because most of its orders are from overseas.

Mr. Harry Harrison, the chief executive of Simon Engineering, said the factory had been chronically under used for several years and had been a cash drain on the rest of the group. The flexographic printing press part of the company is to be transferred to Simon Container Machinery at Stockport and a small number of key staff will be kept on.

Reed Paper and Board, a subsidiary of Reed International, is to cut its workforce at Colthrop Board Mills at Thatcham, Berkshire, by 160 by the autumn.

The company said the mill, which employs 800 people, has operated at unacceptable loss over the past year and forward projections suggested little improvement. The plant produces carton board.

- Trondex, of Northampton, which makes moulded packaging materials, is to sack 30 of its 185 employees because of a serious fall-off in orders due to the economic climate.

Shell increases polypropylene price

BY SUE CAMERON, CHEMICALS CORRESPONDENT

SHELL CHEMICALS UK is putting up to £50 a tonne on the price of its polypropylene, a major plastics material, to stem losses in its plastics business.

The company, a price-setter in polypropylene, said increases were needed because of a sharp rise in raw material costs.

The increases take the price of Shell's fibre grade polypropylene from about £430 a tonne to about £480 a tonne, a rise of about 10 per cent. The price of more specialised grades will rise from about £530 a tonne to £580 a tonne.

Shell said yesterday the rise was regrettable but essential to preserve a viable business.

The increases leave Shell's polypropylene prices at a lower level than they were in the first quarter of last year, before the recession began to bite.

In the first quarter of last year the company's fibre grade polypropylene sold at about £500 a tonne, compared with the new price of £480 a tonne.

Polypropylene is made from propylene. This is produced from naphtha, the oil-based raw material vital to the petrochemical industry. Naphtha prices this year have remained comparatively stable but propylene prices increased markedly this month.

European contract prices, normally on a three-monthly basis, rose by nearly 12 per cent at the start of this month. One reason was the variation in exchange rates of the U.S. dollar against European currencies.

Another was that plants which produce propylene alongside thylene, a foundation of the chemical industry, have been operating at extremely low capacity across Europe because of low demand for ethylene, owing to the recession. Shell said in many plants capacity utilisation was a mere 55 per cent.

Shell said there were signs of demand for polypropylene improving but the upturn was slight.

- The UK chemical industry would be hard-pressed to maintain production at even 1980's low levels in the coming year, Mr. Peter Caudle, deputy director general of the Chemical Industries Association, said yesterday.

Speaking at the Royal Society of Chemistry's annual congress, at Guildford University, he painted a grim picture of the UK industry's future.

He said the collapse of demand and output would not be rapidly reversed. UK producers had little chance of participating in the recovery expected in the rest of Europe in 1981 and 1982.

Current expectations, following the recent Budget, allowed at best for a plateau of output at about the present level for the next two years. That level was about 20 per cent lower than in 1979.

British Gas to place £90m contracts

BY MARTIN DICKSON, ENERGY CORRESPONDENT

BRITISH GAS expects to place contracts worth more than £90m in the enxt few months as part of its £1bn development of the Morecambe gas field, due to come on stream in 1984.

Mr. James McHugh, the corporation's productin chief, said that on Monday the first physical work would start to prepare the site near Barrow in Furness for the gas reception terminal. A contract has gone to Balfour Beattie for the preliminary civil engineering work.

Contractors have tendered for the detailed design of the field's platforms — up to eight are initially planned — and a decision on these contracts should be made soon.

Preliminary assessment of potential contractors for the fabrication of the platforms had already begun. The first contracts should be placed early next year.

Mr. McHugh said British Gas wanted to let contracts to British companies, provided they could meet its requirements on quality, delivery and price. The corporation had already placed contracts worth more than £50m with UK-based companies, including an order for an £18m jack-up drilling rig with UIE Shipbuilding on Clydebank.

Rembrandt drawing fetches £160,000

SALEROOM

BY ANTONY THORNCROFT

A REMBRANDT drawing of the Beheading of St. John the Baptist sold for £160,000 at Sotheby's yesterday to a private American buyer in an auction of Old Master drawings. An extra 10 per cent has to be paid in buyers' premium.

Sotheby's sold the 59 lots in the Tobias Christ collection of Old Master drawings for £474,750 with only one minor lot bought in. Top price was the £80,000 paid by the New York dealer Heering for St. Christopher by Hans Grien—a record for the artist. The Satyr's Family by Durer made £52,000 and Tunick, the New York dealer, bought a Standing Cavalier by Buytewech for £46,000; Christ Taking Leave of His Mother by Hans Schaufelein went for £42,000 and Portrait of a Seate dWoman by Jacob de Gheyn for £22,000. Diana Seated with Two Dogs by Rembrandt realised £30,000 and St. Kilian by Hans von Kulmbach £22,000.

The absence of German museums was a surprise given the quality of the German material for sale.

In the morning at Sotheby's, works of art sold for £464,528. One important lot, a Middle Rhine polychrome wood retable in the form of atriptych, was bought in at £42,000 but a Tyrol polychrome wood figure of the Virgin and Child made £23,000 and an early 16th century Anca stone figure of St. Jerome, £20,000. Its companion St. John, made £16,000.

Demand for English furniture continues strong judging by prices at Christie's yesterday. The saleroom was disposing of R. M. Broadhead's collection and it brought in £340,135. A pair of George III tulipwood and marquetry sidetables in the style of John Cobb made £40,000, as against the £15,000 when sold in 1974

Government may step in over NATO radar bid

BY ELINOR GOODMAN

THE GOVERNMENT may intervene in a £20m NATO contract for air defence radars to secure the order for the British manufacturer Plessey.

Ministers are considering whether the British Government can insist on reopening the bidding if, as expected, NATO awards the contract to the U.S. company Hughes Aircraft.

The contract is the second stage of a much larger programme to improve Britain's air defences. The first stage, worth £100m, went to a consortium made up of Plessey and Marconi from Britain and Hughes Aircraft.

At stake is an order for high-frequency radars to be built on the east coast of England. Three companies have put in tenders—Plessey, Hughes and the French company Thomson-CSF.

Because of the way NATO rules operate it looks as if Hughes will get the contract. If it does, it will be well placed to get further similar orders from NATO for radar equipment.

Up to 80 per cent of the money for the order is coming from NATO, so NATO procedures for competitive bidding apply. The contract is allocated to the company which quotes the lowest price for supplying the equipment in the first place, and for providing 90 days' spares.

On this criterion, Hughes apparently came out best. But the British are arguing that if the longer-term cost of spares—in this case two years — had been taken into account, Plessey would have won.

Ford Cortina stays top-selling car

BY JOHN GRIFFITHS

THE FORD CORTINA maintained its position as Britain's best-selling car last month. This was despite a delivery contractors' strike from January 26 to March 3 which reduced dealers' total Ford stocks by 15,000 at the start of last month.

The strike also had an adverse impact on February sales, helping to push Ford's market share in the first quarter down to 30.44 per cent from 32.39 per cent in the same period last year. In March, Ford's market share was 28.76 per cent.

The Cortina, with 14,867 sales in March, displaced BL's Metro, which sold 14,608. The Metro, which continues to beat BL's own performance forecasts, helped lift BL's market share last month to 23.08 per cent, against 20.67 per cent in March last year. Its first quarter market share was 20.67 per cent.

However, it is clear that Metro continues to take away more sales than expected from the Mini and Allegro.

The fall in overall new car sales continued to accelerate, according to the latest statistics from the Society of Motor Manufacturers and Traders.

March sales were 18.3 per cent down on the same month last year and at 161,531 were at the lowest level since March 1977. For the first quarter, sales were 16.4 per cent lower than last year—although 1980's first quarter was a record one with more than half a million cars sold for the first time.

Foreign cars, including those from Continental associates of UK companies, had 53.6 per cent of sales last month against 55.3 per cent in March, 1980, and 53.4 per cent in the first quarter against 57.3 per cent in the same period of 1980.

But Japanese imports continued to climb, after the sharp winter sales cuts to bring them back into line with "prudent" marketing agreements. In the first quarter, the Japanese share rose to 11.33 per cent compared with 9.26 per cent in the same period last year.

Talbot had another gloomy month, with market share at a depressed 4.1 per cent. The launch of its new large saloon, the Tagora, is unlikely to make much impact on its overall performance.

Ford took three of the top four places in the list of ten best sellers. The Fiesta, in third place, with 14,208 sales was only 400 behind the Metro, while the Escort was in fourth place with 12,178. The BL Ital, in fifth place (6,757) had its best sales month since replacing the Marina in the middle of last year. Sixth was the Vauxhall Cavalier (4,726), seventh, the Mini (4,092), eighth Datsun Cherry (4,057), ninth Vauxhall Chevette (3,904), tenth Austin Allegro (3,447).

UK CAR REGISTRATIONS

	March 1981	%	1980	%	Three months ended March 1981	%	1980	%
Total UK produced	74,899	46.37	88,300	44.66	195,789	46.57	214,441	42.66
Total imports†	86,632	53.63	109,422	55.34	224,595	53.43	288,278	57.34
Total market	161,531	100.00	197,722	100.00	420,384	100.00	502,719	100.00
Ford*	46,451	28.76	56,067	28.36	127,944	30.44	162,831	32.39
BL*	37,278	23.08	46,946	23.74	86,877	20.67	95,226	18.94
Peugeot SA—								
Talbot*	6,639	4.1	8,238	4.16	20,435	4.86	29,925	5.95
Peugeot	1,715		3,429		5,003		9,403	
Citroen	3,468		3,484		8,123		10,019	
Total Peugeot SA	11,822	7.32	15,151	7.66	33,561	7.98	49,347	9.82
General Motors—								
Vauxhall*	12,448	7.73	16,579	8.38	29,348	6.98	40,147	7.98
Opel	3,010		2,447		6,703		7,982	
Other GM	46		82		178		264	
Total GM	15,544	9.62	19,108	9.66	36,229	8.62	48,393	9.63
Datsun	9,752	6.04	11,393	5.76	28,738	6.84	22,624	4.50
Renault	8,921	5.52	11,921	6.03	21,842	5.20	31,090	6.13
VW-Audi	7,158	4.43	6,616	3.35	19,631	4.67	19,302	3.84
Fiat Auto—								
Fiat	4,582		6,452		14,123		14,221	
Lancia	511		374		1,339		1,153	
Total Fiat Auto	5,093	3.15	6,826	3.45	15,462	3.68	15,374	3.06
Volvo	4,182	2.59	5,065	2.56	11,520	2.74	12,897	2.56

* Includes cars from companies' Continental associates not included in the total UK figures
† Includes cars from all sources including those from Continental associates of UK companies

Source: Society of Motor Manufacturers and Traders

Stratford-upon-Avon's disappearing visitors

Peter Cartwright on why Shakespeare is no longer enough to draw the crowds

FOR THE FIRST time for many years Stratford-upon-Avon is finding that the magic of the Bard is failing to draw tourist crowds. It is having to mount a marketing campaign to sell itself.

The town is also trying to broaden its market by competing for conferences, and in short the emphasis has shifted from Shakespeare to the place itself.

For years it was hardly necessary to advertise Stratford beyond the official tourist brochures. It is, after all, the top provincial centre for overseas — and British visitors. The annual migration of North Americans appeared perpetual.

Silver Jubilee year, 1977, was a vintage one with more than 661,000 visitors to the birthplace. Dr. Levi Fox, director of the Shakespeare Birthplace Trust, reckons that one in two of the overseas visitors came from North America.

The following year the figure fell as sterling strengthened, and by 1979 it was less than 600,000. Last year's total, not yet released, is expected to show a similar fall.

"Last summer Americans were very few and far between," says Dr. Fox, "and this mainly accounts for the decrease in numbers." The number of European visitors stayed constant.

The absence of free-spending Americans has considerable implications for the Trust, for it is just about to open new lecture and similar rooms in an extension to the Shakespeare Centre in Henley Street. This, together with a new coach and multi-storey car park, cost £2m.

Most visitors come only for the day. A realistic figure for overseas visitors staying overnight (the average stay is 1.75 days) is about 100,000, and may not reach that figure this year.

This is the sector that promotions are aiming at. It is the longer-stay visitors who spend the money; conference visitors are estimated to spend two and a half times per head more than tourists.

The absence of the American tourist has punctured many a dream of a comfortable living in a delightful riverside town. Not only are the obvious tourist shops changing hands more frequently but they are also having to change their style.

One shop that started by selling jewellery now sells down-market ceramic and wooden products. One of the two bureaux de change has closed and the other is not doing much business.

The 10 leading hotels have felt equally acute withdrawal symptoms. The Stratford Hilton is a natural temporary residence for Americans. Last season its numbers were down by 60 per cent, says Mr. Tom Leatham, general manager, and business was 15 per cent down overall. This season is unlikely to be any better.

Mr. Frank Stubbs, who runs the White Swan in the market place, one of four Trust House Forte hotels in the town, has seen the bedroom occupancy figure decline from 73 to 64 per cent since 1978 in spite of his efforts to extend the clientele.

"Last summer we had more than 4,700 cancellations," he says, adding that last week one coach came in with two payers and two free—a couple of professional guests invited to sample the facilities from promotional purposes.

Guest houses have been doing rather better. In spite of competitive prices in Stratford hotels, high London hotel prices seem to have been taken as the national yardstick and visitors have chosen the cheaper alternative.

Moreover, more people are travelling on their own; the rate of cancellations by the tour operators has been unnerving.

Tourism provides 26 per cent of the townspeople with employment, but not everyone regards the decline as a calamity. There has always been an anti-tourist faction. Even the local authority has left it to Shakespeare to draw the tourists.

Stratford district council recently refused by a single vote to subscribe £3,500 towards the £17,500 promotional target set by a group led by the 10 major hotels and the chamber of commerce. This came as a severe jolt, for the amenities committee, finance committee and the policies and resources committee were all in favour of the plan.

The incident illustrates the ambivalance of the town toward the tourists.

Warwickshire county council, for instance, in whose area are other magnets such as Warwick and Sudeley castles and Coughton Court, does not subscribe to the Heart of England Tourist Board.

Stratford's district council is the odd man out in the group which represents hotel and catering interests, licensed victuallers, the Shakespeare Country Association of Tourist Attractions, the Shakespeare Trust, the Shakespeare Memorial Theatre and Guide Friday.

The group has raised £16,000, most of which will be spent on enticing visitors to stay longer and in unashamedly promoting the town as a conference centre.

Meanwhile "the Season" is beginning. It could be one of Stratford's most significant for years.

Agnew not guilty in Algardi bust test case

THOMAS AGNEW and Son, the Bond Street art dealer, was yesterday found not guilty at Bow Street Court in a test case brought under the Auctions (Bidding Agreements) Act.

It had been alleged that Agnew induced E. V. Thaw and Company, the U.S. dealer, not to bid for a 17th-century Italian marble bust at a London auction in 1979.

The Act aims to eliminate dealers' rings which depress auction prices and act against sellers' interests. The case revolved around the £165,000 purchase of a bust by Algardi.

Giving judgment, Mr. Evelyn Russell, Chief Metropolitan Magistrate, said: "This is a criminal prosecution and I have to be satisfied beyond reasonable doubt that Agnew gave Thaw and Company an opportunity to purchase the bust and participate in profits or resale as a reward for abstaining from bidding.

"I cannot say that the inducement or reward was for abstaining from bidding. All the evidence points to the fact that not one of the partners ever intended to bid for the bust on their own account."

Mr. Russell was not satisfied the prosecution had proved its case. Costs from public funds were granted to Agnew, defended by Mr. John Mathew, QC. Costs were also granted to the prosecution because the hearing was a test case, likely to be heard in the High Court.

After yesterday's hearing Mr. Julian Agnew, who bought the bust on behalf of the firm, welcomed the decision. It was "good for the London art market, good for sellers at auction, good for auctioneers and good for dealers.

"It makes the distinction between a ring which is aimed at depressing prices and a joint partnership agreement which has the effect of raising prices."

Reviewing the case yesterday, the magistrate said Agnew had been "inundated" with offers for the bust immediately after the sale. The Metropolitan Museum, New York, had asked the firm to reserve the bust and had agreed to pay £265,000, which was accepted.

When Mr. Julian Agnew appeared before the Government reviewing committee, on the export of works of art, the partnership in the bust's purchase was not disclosed. He had stated Agnew was sole owner. The partnership was revealed later, in a letter to the Arts Minister.

Raymond Hughes on the Salem conspiracy case

'Bold plot' took a £24m cargo

IN DECEMBER 1979, a bold and essentially simple device, a group of dishonest men contrived to make away with a complete shipload of crude oil, a High Court judge said yesterday.

The plot succeeded, said Mr. Justice Mustill, and the conspirators got away with a cargo worth $56m (£24m) on the tanker, Salem, owned by Oxford Shipping Company.

The oil had belonged to Shell International Petroleum Company which, the judge ruled, was entitled to recover the insured value of the cargo.

The judge said that a striking feature of the plot was that it had been self-financing: the South African buyers of the cargo had been persuaded by the conspirators to advance the price of a vessel in which the oil could be carried.

The Salem had been bought and chartered to innocent charterers; Pontoil, for a voyage from Kuwait to Europe. After the vessel had been loaded Pontoil sold the cargo to Shell.

The plot had involved the deception of Pontoil and the Kuwait authorities, who would never have allowed the cargo to have been loaded, or the ship to leave, had they known the conspirators' intentions.

The Salem, whose master and principal officers were parties to the conspiracy, had left Kuwait, ostensibly bound for Italy. But she had diverted to Durban, where, after discharging oil, her tanks were filled with seawater to give the impression that she was still loaded.

She then continued on the contract voyage until she was deliberately scuttled off the coast of Senegal.

The judge said that the cargo had undoubtedly been taken by the conspirators. The words "takings at sea" in the policy were apt to cover a situation where a cargo was lost through the acts of the crew, committed at the instigation of the shipowners.

But when had the cargo been taken? The answer was, at that point in the voyage when the Salem turned aside from the contract route and set course for Durban.

Until that point the conspirators had done no overt act contrary to the intentions of Pontoil, the original insured cargo owners.

For the peril to be activated there had to be an act that made it clear that the wrongdoers were holding the cargo for themselves and not for the true owners, the judge said.

It was a dishonest act committed by the crew to the prejudice of the vessel's owner. As the Salem's owners had been among the conspirators there could not be said to have been barratry.

Nor, the judge said, had the conspirators been inspired by malice against Pontoil. They had simply wished to steal the cargo and the identity of its owners had been immaterial.

Harriet Harman given leave to appeal

MS. HARRIET HARMAN, legal officer of the National Council for Civil Liberties, was given leave by the House of Lords yesterday to challenge a ruling that she was guilty of a "serious contempt of court" in showing a journalist documents after they had been used in an open court hearing.

An appeal committee of three Law Lords gave Ms. Harman permission to contest the court of appeal decision given last February.

Ms. Harman said: "I'm hoping that the disastrous judgment of Lord Denning in the court of appeal will be reversed and the law will be restored to what everybody thought it was."

The documents in question had been disclosed by the Home Office to Ms. Harman in her capacity as solicitor for an ex-prisoner in a damages action.

Lord Denning said they had been used by Guardian journalist David Leigh "to launch a wholly unjustified attack on Ministers and civil servants who were only doing their very best to deal with a wicked criminal."

Mr. Leolin Price, QC, for Ms. Harman, told the Law Lords that the implied obligation to preserve the privacy of documents read out in an action had never previously been disclosed.

Economists attack Thatcher

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

THE GOVERNMENT has been strongly criticised by economists for not implementing its election pledges zealously enough.

Their attacks are in the latest issue of the journal of the Institute of Economic Affairs, the market oriented research body.

The Journal of Economic Affairs, published this morning, contains several articles criticising the Goverament's record.

In his editorial Mr. Arthur Seldon of the institute argues that in the two years since the election "little has been done to correct the long-term structural malaise—the perverted imbalance in the power of producer and consumer."

He says: "The policies required to reverse the deep-seated errors of three or four decades will require not two years but five, six or seven.

"The Prime Minister and her principled colleagues must not succumb to the cynical temptation, which seduced prime ministers and chancellors of most post-war Conservative and Labour governments, to manipuate their policies by the parliamentary clock. They must explain them and act as if they have not two but seven years to implement them."

In other essays the detailed criticisms are developed. Mr. Martin Anderson of the institute's staff, argues that the Government should decriminalise such economic activities as all-day drinking and Sunday shopping, and allow the police to compete with private suppliers of protection to ensure police independence of government.

He says the police should be allowed to charge for a wide range of services and competition with the police should be allowed.

Professor Murray Rothbard, a U.S. economist, argues that the Tory Government should be much bolder. It should give away council houses to tenants and provide full tax credits for school fees. These proposals presented together should make both the poor and the middle class enthusiastic about the entire pro-freedom package.

Mr. Roy Batchelor of the City University says the Government's response to changes in the economy has been inadequate and poorly judged. He argues that the whole burden has been put on to the tax system and very little has been done to attack business and union monopolies, other market imperfections or government expenditure.

Permission given for potash cargo appeal

BY RAYMOND HUGHES, LAW COURTS CORRESPONDENT

THE BANGLADESH Chemical Industries Corporation has been given leave by the Court of Appeal to go ahead with a damages claim over the loss of a $700,000 (£328,000) cargo of potash.

The cargo was loaded onto the Everest, owned by Tex-Dilan Shipping Company, a one-ship Panamanian company, at Casablanca. The vessel sank two days later.

The corporation started legal proceedings in London and the Commercial Court gave leave for the writ to be served on the shipowners outside the UK jurisdiction.

The corporation was also granted an injunction stopping the owner removing any of its assets from the UK.

The owner appealed, claiming that the dispute was covered by Moroccan, not English law.

Dismissing the appeal, Lord Denning said that a contract between the parties was contained in the bill of lading for the cargo. That bill incorporated a charter party which provided for any dispute to be arbitrated in London.

The shipowner apparently had no assets except an insurance claim on the vessel's hull in the London market.

Holding that the case was governed by English law, Lord Denning said that the only way the corporation could get any money from the owner was if the insurance money was kept in London.

Cheaper fares extended

BY JAMES McDONALD

SEALINK UK's low season fares to the Irish Republic from Fishguard and Holyhead, which were due to end today, are to be extended through the spring and summer for some midweek sailings.

The cheaper fares will be available on Tuesdays, Wednesdays and Thursdays from April 28 until June 25 and from September 8 until October 1 on the 3.10 am sailing from Fishguard and the 9.40 pm return from Rosslare.

Sealink is also extending its Bonus Breakaways—short break off-season holidays to the Channel Islands—from the original closing date of May 20 until the end of June.

The organisation's new £2.5m travel and car ferry centre at Victoria station was officially opened yesterday. It includes a booking hall, a ticket office, a Jetfoil check-in facility, a waiting lounge, a baggage registration hall and a bureau de change.

Figures on credit licences

BY GARETH GRIFFITHS

THE Office of Fair Trading refused or revoked consumer credit licences to 22 traders between August, 1980, and February, 1981, and told a further 81 that their licences are in danger because of unsatisfactory trading practices.

Consumer credit licensing is seen by the OFT as one of its main ways of ensuring proper business conduct.

Mr. Gordon Borrie, Director-General of Fair Trading, said yesterday the system had helped maintain high standards for consumers and companies. The OFT has issued 100,000 consumer credit licences.

Some 126 traders have had their licences refused or revoked since licensing began in 1978. The majority of refusals have been sent to motor dealers.

Maintaining expenditure levels 'a top priority'

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

MR. LEON BRITTAN, Chief Secretary to the Treasury, indicated in the Commons yesterday that the Government wishes to give greater priority to maintaining the levels of current expenditure in the years ahead.

Speaking in a debate on the Government's expenditure plans for 1981-84, he was sceptical of this week's report from the all-party Treasury and Civil Service Committee which called for an increase of capital spending in the public sector at the expense of current spending.

Mr. Brittan said the Government was considering whether the distinction between capital and current expenditure should be given greater prominence and play a greater role in determining spending plans. He, personally, thought there was a case for making such a distinction.

But he emphasised that there were sometimes good reasons for not increasing the proportion of capital expenditure. Cuts in current expenditure could involve a real cost in terms of services provided by the public sector while capital expenditure did not necessarily provide benefits which outweighed that cost.

There was, for instance, no reason why hospital-building should always be a better way of improving health care than employing more nurses.

Current expenditure could be more important than capital spending in providing services which the public expected. With a falling school population the provision of textbooks and equipment was of greater importance than a major programme of school building.

Nevertheless, he agreed that capital spending should not take the lion's share of cuts simply because it was an "easy option."

Brittan: sceptical of the call for an increase of capital spending in the public sector

Mr. Brittan also took issue with the Treasury Committee over capital expenditure by the nationalised industries. He said the committee seemed to think that public sector investment — particularly by the nationalised sector—should be increased because it would give additional business to private industry and add to the economy's productive potential.

But, he said, the committee had failed to make clear whether such investment should be allowed to increase the total of public sector spending and borrowing or whether it should be accommodated within the existing totals by cutting back other public spending.

He thought the committee was hinting that the additional investment should be added to the borrowing requirement. However if this were done, it would tend to raise interest rates and discourage other items of expenditure, including some private sector investment.

Mr. Brittan said that the rate of return on much nationalised industries' investment had been appallingly low. This reflected a failure to control costs with the same efficiency as the private sector.

"If they controlled their costs this would both raise the rate of return on investment and help provide the finance for it," he commented.

The Government was prepared to consider alternative methods of financing nationalised industries so long as they could meet certain criteria. Such investment should introduce market discipline for the management of the industry, tap new sources of finance and avoid adverse effects on interest rates.

But, he added cautiously: "So far it seems to me that methods of financing which meet these criteria have yet to be found."

Mr. Brittan repeated the Government's determination to stick to the cash limits and said this ha dimplications for pay negotiators in the public sector and in companies which supply the public sector.

Compaines which increased their prices would inevitably reduce the work available to them in the public sector. They could not expect to get the same volume of work at the same time as increasing their price to any level they considered appropriate.

"The Government cannot and will not be a soft touch for suppliers and contractors," he warned.

Shore: no evidence to suggest increases in PSBR led directly to inflation

Public service pay negotiators —who are responsible for over 30 per cent of public expenditure—had to realise that levels of pay had implications for jobs and services.

For the Opposition, Mr. Peter Shore, Labour's Shadow Chancellor, denounced the Government's White Paper as "appalling." The Government, he said, refused to use public expenditure to hel peliminate unemployment or to counteract the economic decline of the UK.

He said that despite the Government's attempts to keep dow nthe PSBR, the proportion of GDP taken by public expenditure had actually increased, much of it as a result of unemployment payments. The Government had to realise that public service cuts actually contributed to the collapse of the economy and the decline of GDP.

Mr. Shore argued that there was nothing to suggest that Britain's public expenditure was out of line with other countries. In fact it was a lower percentage than our main EEC competitors, Germany, France and Italy.

"There is no connection between Britain's general economic performance and the level of our public expenditure or the taxation we need to finance it," he said to Labour cheers.

There was no evidence to suggest that increases in the PSBR led directly to inflation. The experience showed that public borrowing was overwhelmingly financed by the genuine savings of the non-bank public. Nor was there any reason why increased Government borrowing should inevitably lead to a rise in interest rates

Mr. Shore said that the treasury committee had been right to point out the deflationary effects of the Budget. It had also been right to examine the "extraordinary claim" of Mr. Nigel Lawson, Financial Secretary to the Treasury, that because money supply was broadly in line with anticipated rates of inflation, this would have a reflationary effect on the economy.

To Tories who heckled him, he declared: "You should be ashamed that this—the only country in the Western world self-sufficient in energy—should have the worst economic performance of the lot."

Thames TV blacking unlawful

FINANCIAL TIMES REPORTER

A UNION "blacking" which led to a £500,000 television musical series being taken off the air was unlawful, the Appeal Court ruled yesterday.

It was the first Appeal Court ruling under the Employment Act 1980. The Act reduced the scope for immunity from legal action given to unions under the Labour Government's Trade Union and Labour Relations Act, 1974.

Three judges granted Croydon-based Hadmor Productions an injunction preventing the further blacking of its series Unforgettable, featuring pop stars. The series was taken off the air by Thames Television before being shown completely.

The injunction was against Mr. Robert Hamilton, an organiser for the Association of Cinematograph, Television and Allied Technicians, and Mr. Peter Bould, a shop-steward at Thames Television.

Lord Denning, Master of the Rolls, said the union must leave Thames Television to make its own decision whether to proceed with the series, "free from any interference by unlawful means."

When shop stewards blacked the series they acted unlawfully, he said. "They were not attacking their own employers. They were attacking Hadmor because it was a 'facility' company. That was a wrong for which they have no immunity."

Lord Denning said that previously the blacking might have been given immunity under the 1974 Act. But under the 1980 Act "secondary blacking" had no immunity.

Lord Denning said Section 17 of the 1980 Act, which made some kinds of secondary action unlawful and actionable, was "the most tortuous section" he had ever come across. But the general purpose was to retain the statutory immunity for primary action and remove it for secondary action.

The court allowed Hadmor's appeal against a High Court judge's refusal to grant an injunction requiring union officers to instruct members to disregard the blacking instruction. It remains effective until trial or further court order in a damages action Hadmor has started. ACTT was considering an appeal to the House of Lords.

Shipyard workers back action on compulsory redundancies

BY JOHN LLOYD, LABOUR CORRESPONDENT

EARLY INDICATIONS from votes taken in the yards of British Shipbuilders show that shipyard workers strongly support the call made early this week by the Confederation of Shipbuilding and Engineering Unions for industrial action over compulsory redundancies.

Workers at the Hall Russell, Smiths Dock and Brooke Marine yards have all voted for industrial action, and have also supported the CSEU's shipbuilding negotiating committee's recommendation for acceptance of a 7.5 per cent pay offer.

The white collar engineering workers, members of AUEW TASS at Vickers have voted for industrial action on the redundancies and for the pay deal.

However, at the big Swan Hunter yard on Tyneside, 2,250 boilermakers and nearly 1,000 electricians and plumbers have voted for industrial action over redundancies and rejected the pay offer. About 2,000 members of the General and Municipal Workers Union in the yard are to vote today.

The results from all yards must be in to the CSEU by Tuesday. The shipbuilding negotiating committee will decide what action to take at its next meeting on April 22.

However, it appears possible that British Shipbuilders will back down from its previous position of insisting on 628 compulsory redundancies. A number of workers have continued to volunteer for redundancy, and it is thought that the shortfall from the BS demand of a total of 2,200 staff cuts is now less than 500.

The stated position of BS, however, remains one of commitment to compulsory redundancies. It has reminded unions that its losses are now running at £2m a day, and that its productivity levels are still low by international standards.

Left launch campaign to back Benn

By Elinor Goodman,

LABOUR'S far Left yesterday launched a counter-attack against the campaign to stop Mr. Tony Benn challenging Mr. Denis Healey for the deputy leadership of the Party.

The Far Left Rank and File Mobilising Committee for Labour Democracy—which played a key role in organising the Left's recent conference victories—made it clear that it would use the same tactics to maximise Mr. Benn's vote in the leadership contest.

The committee is planning to organise fringe meetings in all the major trade union conferences in an attempt to maximise support for Mr. Benn among trade union members.

At the same time, the committee is advising its members in local parties to "discuss" the leadership with their MPs. Although at this stage the committee is stopping short of actually urging its members to vote for Mr. Benn, their efforts are clearly directed at helping him.

The RFMCLD is the umbrella organisation for nine pressure groups on the Left. Their support for Mr. Benn is entirely predictably and they have long been regarded as his power base. But the move comes at a time when Mr. Benn is under pressure from both Mr. Michael Foot, Labour Party leader, and some trade union leaders not to stand.

The committee's tactic looks like aiming to appeal over the heads of union leaders to their members, and to use the election to expose what they see as "deals" between Labour leaders.

Yesterday the RFMCLD said it was "disturbed by reports that the outcome of the election has already been determined, because a number of senior trade union leaders have promised the Parliamentary leadership that the votes of their unions will be cast in favour of the status quo."

It said it believed that "behind the scene deals" of this kind could only bring discredit upon the Labour movement.

It called for a "free election" and urged trade union members to ensure that they were consulted as to how the votes of their union were cast.

Mineworkers likely to support status quo on electoral college

BY JOHN LLOYD, LABOUR CORRESPONDENT

THE National Union of Mineworkers is likely to support the new form of electoral college for the election of the Labour Party leader at its annual conference in July.

Mr. Joe Gormley, NUM president, said yesterday that a motion — upholding the "status quo" established by the decision of the special conference in anuary to elect the leader in a college composed of 40 per cent trade union vote, 30 per cent constituency parties and 30 per cent Labour MPs — had "a strong probability of getting through."

This would switch the union's considerable strength away from its previous position of a college composed of 50 per cent of votes to Labour MPs, and 25 per cent each to constituencies and unions.

The 50:25:25 formula is widely regarded as one on which a majority of unions could agree as a replacement for the controversial 40:30:30 system.

The apparent liklihood that the miners will support the new electoral college comes immediately after the publication of the conference agenda of USDAW, the shopworkers union, which contains a large number of resolutions also supporting the status quo.

If both these Right-dominated unions — with a total of nearly 700,000 conference votes between them — vote for the status quo, the attempts by the Labour Party leadership and the Centre-Right unions to reverse the decision of the special conference could prove more difficult than originally planned.

Mr. Gormley also added his voice to that of other union leaders who have criticised Mr. Tony Benn's bid for the deputy leadership of the Labour Party.

Mr. Gormley said that the election struggle would "take the pressure off the Tory Government" and that Mr. Benn was motivated by "personal ambition."

CBI backs our strategy, PM insists

By Ivor Owen

IMPROVED competitiveness resulting from reductions in overmanning will ensure that many companies are able to exploit the opportunities which will open up when the present recession ends, the Prime Minister told the Commons yesterday.

She brushed aside fears expressed by Mr. Norman Atkinson (Lab., Tottenham)—which he claimed where shared by the CBI—that with 174 bankruptcies now taking place each week much of British industry would find it difficult to respond when the upturn arried.

There were cries of "Oh," from the Opposition benches when Mrs. Thatcher insisted that the CBI backed the Government's general strategy.

When Mr. Jock Bruce-Gardyne (C., Knutsford) contended that some of the advice given by the CBI in the past had not proved beneficial, the Prime Minister commented that it had not always been "wholly dispassionate."

But the Government had tried to take the CBI's advice recently, she said, by giving top priority to a reduction in interest rates.

"I believe they fully supported the Government in giving that priority."

Underlying the importance of competitiveness, the Prime Minister told Mr. Bob Cryer (Lab., Keighley) that Britain would have a bigger textile industry if more people bought the products of British textile manufacturers.

She urged those who attacked the Government to recognise that some of the problems faced by some industries arose from the fact that "many of our people choose to buy foreign goods.

Ennals calls for seatbelts debate

THE GOVERNMENT yesterday defended its decision not to debate seatbelts during the Transport Bill's report stage next week, after Mr. Francis Pym, the Commons Leader came under pressure from both sides of the House.

Mr. David Ennals (Lab. North Norwich) said "hundreds of lives and thousands of serious injuries" were at stake and Mr. Robert Adley (C., Christchurch and Lymington) said MPs had "a duty to make up their minds one way or another."

Mr. Pym said the original government bill had not included any proposal on seatbelts and the matter had not been before the committee which decided the guillotine timetable for Tuesday's debate.

During Commons business questions, he said: "The only right course to adopt is to adhere to the arrangements made by the Business Committee."

MPs on both sides of the House supported Mr. Ennals during the Bill's committee stage in an unsuccessful bid to make the wearing of seatbelts compulsory. Later the Government accepted a Labour backbencher's move to make front seatbelts compulsory for young children.

Mr. Ennals asked: "Will time be given for debate and vote on the seatbelt issue supported on both sides of the House?" If the Government could not give that assurance, he asked "How can it be that the Government would not permit a vote on an issue on which hundreds of lives and also thousands of serious injuries depend?"

Mr. Adley said: "Whatever one's views on seatbelts, many people feel this House has a duty, with most members present, to make up its mind one way or the other, and if the Government does not provide time this will not happen."

Mr. Pym said: "We have decided, rightly or wrongly, we would not legislate on this issue." He suggested that Mr. Ennals should find another way of raising the matter.

Mr. Michael Brotherton (C., Louth), an anti-seatbelt campaigner, said most people wanted no part in the "do-good nonsense" about seatbelts.

But Mr. Peter Bottomley (C., Woolwich West) said the seatbelt clause was welcomed by MPs, and he urged the business committee to find a way of getting it debated.

Thatcher quizzed on 'fascist' leaflet

THE PRIME MINISTER was invited yesterday to condemn the "racist and fascist" leaflets being distributed in London by a group calling itself Tory Action.

But Mrs. Thatcher said she had not seen the leaflet, and never condemned anything she had not seen.

She told Mr. Michael Foot, the Opposition Leader, during Question Time: "I totally condemn racism and fascism."

Mr. Foot urged Mrs. Thatcher to condemn the leaflets being circulated in the capital under the name "Tory Action Round Robin."

The leaflet was "racist and fascist in its implications," he said, and asked her to take immediate steps to obtain a copy.

"Will you also take immediate steps to try and secure the support of your so-called imitation group among the Conservative Members of Parliament to condemn the leaflet too?" he added to Tory jeers.

Mrs. Thatcher told him: "I neither know nor have seen such a leaflet, but I condemn all racism and fascism.

Mr. Roy Hattersley, the Shadow Home Secretary, also attacked the "semi-fascist" views being propagated by the West London organisation "Tory Action."

It declared its dedication to removing "evil influences" in the Cabinet. Mr. Hattersley said this appeared to amount to the view that the Government should immediately start a vigorous programme of repatriation.

Parliament next week

COMMONS

Monday: Finance Bill, Second Reading. *Judicial Pensions Bill, Second* Reading. English Industrial Estates Corporation Bill, Film Levy Finance Bill, *National Film Finance Corporation* Bill, Public Passenger Vehicles Bill.

Tuesday: Transport Bill, remaining stages.

Wednesday: Debate on Economic Difficulties in the Northern Region.

Thursday: Questions (9.30 am) Agriculture, and (10.15) *Prime Minister*, followed by debate on a variety of topics until 3.30 pm when the House *rises for the Easter recess until Monday, April 27.*

Fresh move to end dock pay dispute

By Pauline Clark, Labour Staff

EMPLOYERS IN the Port of Bristol and union leaders of more than 1,000 dockers are to meet on Monday in a fresh attempt to solve a pay dispute which halted cargo handling for the second consecutive day yesterday.

The dockers, who staged an unofficial walkout from noon yesterday in protest over a 7.5 per cent pay offer, are expected to be back at work this morning but further disruptive action over the weekend has not been ruled out.

Their first unofficial lightening strike affected 10 ships on Wednesday and eight yesterday. It followed a mass meeting earlier in the week when the pay offer was said to have been "overwhelmingly" rejected.

The action in support of a 16 per cent pay claim is rooted in dockers' dissatisfaction with what they claim is a growing gap between their pay rates and those of non-registered dock staff.

A similar row over pay differentials between registered dockers and non-registered dock staff recently led to the closure for nearly a month of Southampton docks.

Bristol dockers are employed by the city council, which gave dock staff comparable rises last year with town hall staff. Officials in the Transport and General Workers' Union said this gave dock staff a total 26 per cent rise last year compared with only 15 per cent for dockers.

The Clyde Ports Authority today issued sacking notices to 40 maintenance workers at Greenock container terminal which will take effect from today.

This comes a week after Mr. James Davidson, the authority's chairman, said that a dispute involving the men over a new shift deal could not be allowed to continue.

Union officials will meet Mr. James Michael, Clyde Port Operations Manager, tomorrow, in an eleventh hour attempt to avoid total confrontation.

● Talks to end the 10-day-old dispute involving more than 1,000 dockers at Felixstowe, Suffolk, broke down yesterday despite the help of the Advisory, Conciliation and Arbitration Service. The dispute is over new working conditions.

More credit card staff vote for wage action

BY NICK GARNETT, LABOUR STAFF

MEMBERS of the Banking, Insurance and Finance Union at the Joint Credit Card Company have been voting about four to one for industrial action over pay.

About half the union's 1,200 members at the Southend-on-Sea company, which handles the clearing banks' Access operations and employs about 1,690, had so far been balloted yesterday. Other departments will be canvassed in the next day or so.

The result is expected to be available at the union's executive meeting on Sunday.

Union officials appear to be considering staged stoppages affecting various groups in the company over a number of days.

The company is not involved in the English clearing banks' pay negotiations but has become enmeshed in the dispute over the banks' "final" 10 per cent offer.

All the five banks will implement the 10 per cent rise, formally agreed by the rival Clearing Bank Union, in May salaries.

Any hope of a settlement with BIFU based on improved holidays appears to have disappeared since the banks' refusal to improve the holiday entitlements offered to and accepted by the CBU.

There seems a growing feeling among BIFU officials that a severe third phase of industrial action involving longer stoppages than 24 hours is likely.

The CBU issued a statement yesterday denying BIFU's ability to force the banks into improving the 10 per cent. The CBU said that its pay agreement had "effectively ended the 1981 negotiations.

"The attempt by BIFU to maintain a level of industrial action will not change the minds of the employers but only cause distress to staff and customers alike. BIFU's attitude arises more from pique than conviction," the statement said.

"The 10 per cent settlement was not satisfactory but was not entirely a disaster, and negotiations did obtain some improvement."

The CBU said that staff and union unity was necessary to defend living standards of staff and "not in futile displays of frustration which will do nothing to benefit staff."

Call for European drive against unemployment

BY OUR LABOUR EDITOR

WEST EUROPEAN governments should introduce "mutually reinforcing" public investment programmes as part of a drive against unemployment, the president of the European TUC said yesterday.

Mr. Wim Kok, of the Dutch FNV trade union federation, said one in 12 workers in West Europe were without jobs now compared with one in 50 a decade ago. It would need historically unattainable levels of economic growth to provide the 15 million jobs needed by 1985 to restore anything like full employment.

Mr. Kok told a TUC consultative conference in London on reducing working time that the EEC Commission should propose an emergency package designed to stimulate growth of 1 per cent of countries' GNPs.

That should be coupled with stronger job creation and training schemes, public investment —since the private sector could not take up the slack under the pressure of technological change—more overseas aid, prices policies, and a "socially just" atack on inflation.

Finally, there should be a major, co-ordinated cut in working time despite the reluctance of employer organisations to discuss it at a European level.

The main question put to the conference yesterday was whether unions should campaign for statutory limits on overtime. The debate was inconclusive, but a TUC survey shows that the idea is widely supported by its affiliates.

Mr. Michael Foot, leader of the Labour Party, pledged his support for the campaign.

"Cutting working hours is a common-sense approach to the problem of mass unemployment. We are pouring the priceless asset of North Sea oil down the gutter of unemployment," he said.

Mr. Len Murray, TUC general secretary, said measures such as a ban on overtime could reduce job losses and provide a more secure employment base for growth.

Mr. Ken Cameron, general secretary of the Fire Brigades Union, agreed that legislation was needed to reduce overtime and the working week.

Stewart Dalby in Enniskillen reports on the Fermanagh-South Tyrone by-election

The contest that hinges on the number of spoiled votes

THERE IS a very real prospect that when the counting is finished in the Fermanagh-South Tyrone by-election some time this afternoon, the constituency will have elected the convicted terrorist, 27-year-old Mr. Bobby Sands as its MP.

Mr. Sands, a member of the Provisional IRA, is serving 14 years for possession of firearms. He has been on a hunger strike for 40 days. The only other candidate is Mr. Harry West, a 63-year-old farmer and country squire, who is the Unionist candidate.

Predictions of a victory for Mr. Sands are based on the fact that by late yesterday afternoon, the turnout at the polling station was very heavy. The constituency votes along sectarian lines. Fermanagh-South Tyrone has a small nationalist majority of 5,000 out of a total electorate of nearly 72,000.

The organisations campaigning for Mr. Sands — including the Provisional Sinn Fein, the political wing of the Provisional IRA, as well as the H-Block committees—feared that police harassment and intimidation would lead to many Catholic nationalist voters staying at home.

In fact, as I found on joining the rounds in the area, there were an unusual number of road blocks and police checks. Cars were being searched and stopped. Because my own car has Dublin number plates, I was myself subjected to some harassment.

Mr. Harry West has been cruising around the constituency guarded by a number of armed policemen.

In any event, the turnout seems to be very heavy. According to Mr. Patrick McCaffrey, Mr. Sands' local agent, if the turnout is 80 per cent Mr. Sands will be elected, although it is difficult to see how he arrives at his arithmetic. At the last general election the turnout was 90 per cent.

Against the optimism of the nationalists, however, Mr. Alistair Patterson, the counting agent, has said he thought there would be a great number of spoiled votes. "In the past there have been 200 to 300 spoiled votes, but this time I am anticipating thousands."

Mr. Harry West has said he thought many Catholics will vote for him but has not backed this up with any firm evidence of Catholic pledges of support.

The contest therefore hinges on how many Catholics spoil their votes or write in another name since the turnout would look to be very high and abstentions would not seem to be a deciding issue.

● In the House of Commons yesterday, Mr. Don Concannon, Opposition Northern Ireland spokesman, told MPs that voters in the by-election had a "unique opportunity to denounce the men of violence."

During Question Time, Mr. Concannon said it was the Opposition view that "a vote for Mr. Sands is a vote of approval for the perpetrators of the La Mon (restaurant) massacre, Warren Point, the murder of Lord Mountbatten and all the other senseless murders that have taken place in Northern Ireland over the years."

Mr. Concannon said that on top of this there was the latest "brual inhuman killing of Mrs. Joanna Mathers, a census enumerator in Londonderry.

Mr. Humphrey Atkins, Northern Ireland Secretary, said he was "glad" at the stance taken by the Opposition and added he did not believe the electors needed any guidance from him about the clear choice before them.

Threat to radar project attacked

THE POSSIBILITY that the Royal Navy might cancel its contract with GEC's Marconi radar group, for Seadart and Seawolf radar, and might buy Dutch radar instead, was condemned yesterday by the executive committee of AUEW-TASS, the engineering staff union.

Textiles deal

ABOUT 30,000 wool textile workers, mostly in West Yorkshire are to get a 6 per cent pay rise from next month, raising the minimum wage by £3.26, to £57.62.

12% deal backed for ships' officers

BY OUR LABOUR STAFF

UNION LEADERS of 38,000 merchant navy officers yesterday approved a 12 per cent pay deal payable from next November 1, but said negotiations would continue on their demand for more leave and consolidation of wage supplements.

The Merchant Navy and Airline Officers' Association said after its executive council meeting yesterday that for the time being tht pay issue was settled. But it expected to face pressure from members later this year to reopen talks if ratings receive an increase of over 12 per cent after arbitration.

The council meeting followed a ballot which resulted in a more that 82 per cent favouring acceptance of the offer. Officers' pay at present ranges from about £8,000 a year at the bottom to £20,000 for ships' masters. A middle-ranking officer receives on average £9,300 a year.

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Plugging persistence into electronics

Stewart Fleming on the costly long-term strategy of Siemens' and the German Government in microchips, computers and telecommunications

FROM A distance the silvery-grey high-rise blocks could be modern offices. In reality, the new DM 500m (£107m) complex at Perlach, on the outskirts of Munich, houses the central research and development facilities for the data processing and communications divisions of Siemens, the fifth largest electrical group in the world.

The huge investment Siemens has made in this facility, and the hundreds of millions of D-Marks that it has poured into micro-electronics research and development over the past decade, are a convincing demonstration of the company's determination to fight to secure a leading role in this increasingly competitive and far-reaching technology.

Siemens' position in advanced electronics is a national as well as a corporate asset at a time of widespread and growing anxiety about West Germany's competitive position in world markets, especially vis-à-vis the Japanese, who have mounted a uniquely powerful drive in microelectronics. Siemens itself is now expecting still more of the fruits of that Japanese effort to surface in the shape of a vigorous challenge in the telecommunications sector, a business hitherto dominated by Western corporations.

Fierce

But it is not just in electronics and telecommunications that West Germany is facing fiercer competition as a result of modern electronics technology. In all segments of the West German electrical industry, which exports directly or indirectly about half its DM 107bn a year output, microelectronics is having an impact, and imports have been growing worryingly faster than exports in recent years. Other important export industries—cars and machine tools for example—are also becoming affected by advances in the technology.

So evidence in the early 1970s that West Germany was lagging behind the U.S. and Japan in microelectronics was especially disturbing.

There are still fears that, in its application to specifc products—the most frequently cited example is machine tools—German industry is still lagging behind; this point was made in a recent report on the industry by the Munich based Ifo economics institute.

Today however, according to Wolfgang Sellig, chairman of the West German Electrical Industry Association, the technological gap itself has been closed and the major nations in the field are tying with each other for leadership in different aspects of its development. Certain multinationals which have been behind are now making a rash effort to regain position, most notably General Electric of the U.S.

A factor in the West German recovery, although according to some industry executives by no means the dominant one, has been Government support for research and development.

In the past six years the Ministry of Research and Technology has pumped DM 2.7bn into micro-electronics research and development in such areas as large scale integration. Ministry support for this sort of work doubled from DM 351m in 1975 to DM 613m last year. In addition the ministry poured DM 2.4bn into data processing research and development over the same period. And in telecommunications the Government continues to support Siemens as the country's main supplier of central telephone exchanges—a massive and highly lucrative business.

Siemens has more than matched this government effort in terms of the commitment of corporate resources.

Last year, for example, it spent some DM 3bn on R and D, a sum which, as a proportion of its turnover, is even higher than the R and D effort of IBM, the world's leading computer company.

Siemens estimates that about half of its R and D spending has been going into microelectronics and related fields. In data processing, for example, the company spent DM 1.7bn and R and D between 1976 and 1980 — DM 240m of which came from the Government.

The justification for Siemen's heavy spending in micro-electronics is self-evident from its divisional breakdown. Its largest division is communications, with annual sales of DM 9bn.

As data processing and telecomunications technologies converge, partly through the medium of digital transmission of data, voice and pictures, the telecommunications industry is expected to be one of the most rapidly changing and fastest growing segments of the world economy.

It is already a field which is changing dramatically because of microelectronics innovation. Along with its large computer and data processing operation—a business which has been consistently unprofitable, far more so than its now troubled British competitor ICL—Siemens medical engineering and power engineering divisions are also in the path of the industrial changes which micro-electronics is provoking. In other words the vast majority of its business will be affected in one way or another.

With its future so closely bound to the technology it is little wonder that the company has doubled its R and D effort to DM 3bn in the past six years; micro-electronics also now accounts for a substantial proportion of its capital investment spending which was increased sharply to DM 2.1bn last year.

At the centre of Siemen's effort in microelectronics is obviously its components division, which makes integrated circuits and various other products, for both internal use and outside sale.

According to Gernot J. Oswald, a former physicist who is director of marketing at the company's integrated circuits division, the company spent DM 500m on the development of integrated circuits alone between 1970 and 1980, of which a fifth was Government-funded.

The operation was started in 1963, some three years after production of integrated circuits began following the breakthroughs made by Texas Instruments and Fairchild Camera in the United States. Without the pressures created in the U.S. by the space programme, the computer industry, or direct government support in Japan, the business in Europe developed more slowly. By 1975 Siemens' integrated circuit sales hit DM 150m, and last year were worth DM 500m.

Of this total, however, Siemens own production accounts for only DM 300m for, as Oswald puts it, the company realises it cannot make everything and therefore buys in a proportion of its needs, manufacturing itself about 1,000 different types of integrated circuit. It also "merchants" other companies' products on the open market.

The integrated circuits operation has defined two basic business goals: to compete profitably in the international market for integrated circuits, and at the same time to meet some of the company's internal needs for these crucial components. Marrying these two objectives, Oswald says, is the most difficult task.

The most striking aspect of the development of the business is the length and depth of Siemens' endeavour. Between 1965 and 1976 it was the exception, not the rule, for the company to earn a profit on its integrated circuits operation. As Oswald puts it, "Almost once a year there was a discussion about whether we should carry on or not."

But as with its data processing operation, Siemens kept on feeding what must at times have looked like an increasingly voracious beast. In the past three years, however, the division's profits have just about wiped out past losses. The turnround reflects in part a boom in world demand (now weakening), and also a corporate decision to drop some loss-making product lines. The division is now Europe's second largest integrated circuits producer after Philips.

The turnround into profit is something Oswald is clearly delighted about; it makes it easier and quicker for him to get decisions to commit new funds for the future—something he feels is critical to the company's ability to stay competitive in a fast-changing business.

Just why Siemens stuck to the task of nurturing so expensive an operation at a time when some other major companies in Europe, and even in the U.S., sat on the sidelines, has something to do with management philosophy. Siemens is proud of the fact that it takes a long-term view of the businesses it is in—executives are fond of pointing out that the Japanese have a similar approach.

But there is more to Siemens' commitment than just business philosophy. Back in 1965 "it was clear that integrated circuits were an area of great growth potential," according to Oswald. Thus even though at any single point in time it looked cheaper to buy-in components than to develop a manufacturing capacity internally, in the long term the profit potential and the advantages in terms of successfully marrying the company's products with the new technology, argued in favour of an in-house capability.

The costs of doing so are mounting, however. Oswald suggests that whereas 10 years ago it could cost about $5m to put in a diffusion line for producing integrated circuits, today the figure is nearer $50m. This reflects the increasing technical sophisticated of the process with more and more transistors packed on to a single chip.

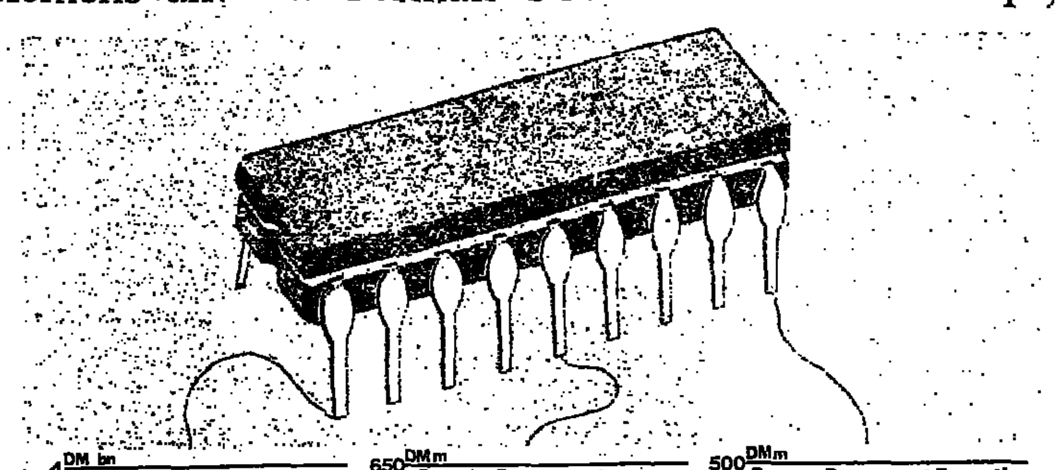
Cheaper

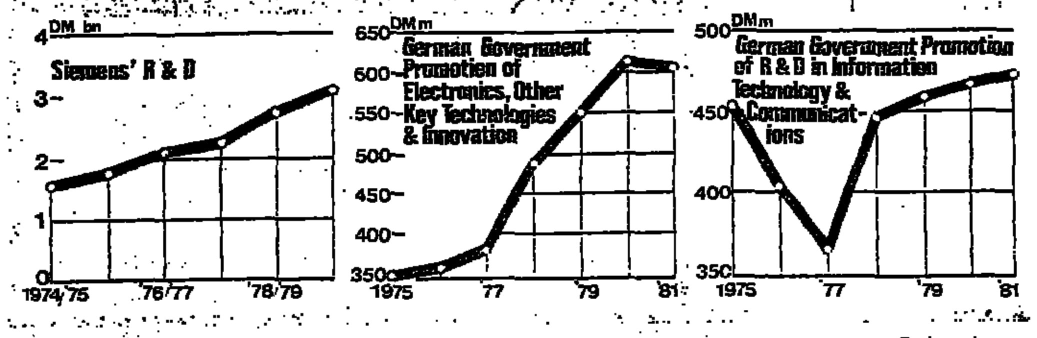
In the past, he points out, it tended to be the relatively new and rapidly growing specialist producers who were at the forefront of developments. But today, he adds, the Japanese are showing how big, vertically integrated, concerns can also push their way to the leading edge of the technology.

According to Dr. Ulf Burker, a senior executive in the company's central research laboratory, it is one of the characteristics of microelectronics that progress is likely to be made within the corporations rather than government or university laboratories. This is partly due to the high cost. But in addition "the basic research was done years ago," he says, "and now the problem is to make the device cheaper and better than the competition—and the competition is good."

Siemens Sales by Group/Company

TOTAL	DM 32bn
Components	5%
Data & Information Systems	5%
Communications	29%
Medical Engineering	7%
Power Engineering	23%
Kraftwerk Union	14%
Electrical Installations	9%
OSRAM	4%
Others	4%





Graham Lever

Business courses

International Marketing Seminar, Geneva. May 18-29. Details from Centre d'Etudes Industrielles, 4 chemin de Conches, CH-1231 Geneva, Switzerland

Effective Strategic Planning, Stratford-upon-Avon. May 22. Details from Wales International Management Centre, 6-8 Albany Road, Cardiff CF2 3RP

Third National Reliability Conference, Birmingham. April 29-May 1. Fee: £300 (plus VAT). Details from the Institute of Quality Assurance, 54 Princes Gate, Exhibition Road, London SW7 2PG

How to Solve Tough Quality Problems, London. May 11-13. Fee: £260 (plus VAT). Details from the Institute of Quality Assurance, 54, Princes Gate, Exhibition Road, London SW7 2PG.

Current Cost Accounting for Directors, London. May 19-20. Fee: £165 (plus VAT) members, £195 (plus VAT) non-members of the Institute of Directors. Details from Education Director, Institute of Directors, 116 Pall Mall, London SW1Y 5ED.

Recent Developments in Economics, Uxbridge, Middlesex. May 19-22. Fee: £250. Details from The Secretary, Management Programme, Brunel University, Uxbridge, Middlesex UB8 3PH.

Executive Action Programme, Stratford-upon-Avon. May 10-21. Details from Wales International Management Centre, 6-8 Albany Road, Cardiff, CF2 3RP.

Making the Major Sale, Brussels. May 11-13. Details from Management Centre Europe, avenue des Arts 4, B-1040 Brussels, Belgium.

Finance for the Non-Financial Executive, Slough. May 11-15. Fee: £300 (plus VAT). Details from Urwick Management Centre, Baylis House, Stoke Poges Lane, Slough, Berkshire, SL1 3PF.

Increasing Energy Effectiveness, Brussels. May 25-27. Details from Management Centre Europe, avenue des Arts 4, B-1040 Brussels, Belgium.

How to Succeed with Data Base, Amsterdam. June 15-19. Fee: £485 (plus VAT). Details from Savant Institute, 2 New Street, Carnforth, Lancashire, LA6 1AX.

Senior Executive Programme, Bradford. June 7-July 3. Fee: £1,750. Details from Director of Management Development Programmes, University of Bradford Management Centre, Heaton Mount, Keighley Road, Bradford, West Yorkshire, BD9 4JU.

Management of Research, Development and Technology-Based Innovation, Cambridge, Massachusetts. June 8-19. Fee: $1,800. Details from Room E19-356, Massachusetts Institute of Technology, Cambridge, Massachusetts 02139, USA.

Corporate Planning, Geneva. June 15-26. Fee: SFr 5,500. Details from The Admissions Secretary, Centre d'Etudes Industrielles, 4 chemin des Conches, CH-1231 Conches-Geneva, Switzerland.

Computer Systems Analysis, Slough. June 1-19. Fee: £750 (plus VAT). Details from Urwick Management Centre, Baylis House, Stoke Pages Lane, Slough, Berkshire SL1 3PF.

Seventh European Datamanager User Group Conference, Copenhagen. June 1-3. Details from European Datamanager User Group, 71, Gloucester Place, London W1H 3PF.

LOMBARD

Nationalism lives on

BY W. L. LUETKENS

THE NEWS really ought to have appeared on April Fool's Day: the Albanian minority in Yugoslavia wants to be reunited with its fellow Albanians in Albania. It is true that Kosovo, where Yugoslavia's Albanian minority lives, is a backward region, but by the standards of Eastern Europe Yugoslavia is an acceptably free place. Mr. Enver Hoxha's Albania is not: it probably is one of the nastiest and most repressed corners of Europe. If the Yugoslav Albanians really believe that they would be happier under that regime, they must be deceiving themselves.

'We and they'

This entire episode is one more proof of the amazing tenacity of nationalism, the in-group out-group "we and they" reaction. Go back to the great novels of World War One—English, French or German—and you discover a generation that was through, once and for all, with the excesses of the nation state. Yet by the 1930s the world had changed again.

World War Two saw a similar pattern, especially in continental Europe where men like Robert Schuman, Konrad Adenauer, and Alcide de Gasperi were prepared to bury much of their nations' identities in a European Community. What is left of that now? National interest rides supreme when the Prime Ministers of the Ten meet.

To the east of the iron curtain, as it then was called, the story was no different. Romania, under the disguise of the purest doctrine of near-Stalinist Communism, stood up for its national identity. East Germany, in a travesty of nationalist tradition, attempted to deny the existence of a German nation—yet consciously adopted many of the trappings of Prussian history. Someone is either deceiving himself or trying to fool us.

Even the Soviet monolith, hitherto safely dominated by the Russians, may not be immune. Forty years after their occupation by Stalin the Baltic peoples remain restive. In Asia the presence of Muslim minorities poses questions for the future. Islamic loyalties may transcend the purely national or tribal: but the cohesion of Islam that has begun to build up in recent years is a similar "we and they" reaction to outside challenges.

As the world becomes a more dangerous place, as economic problems begin to look ever more daunting, that reaction may be expected to become more potent and more widespread. The burning of English-owned cottages in Wales is a case in point.

The world of business will not be spared. The long-standing agitation against the multinational companies has been a warning signal. People who are quite prepared to defend tax avoidance will shudder at the thought of transfer pricing, which is no more than tax avoidance across national borders. The answer is a more efficient tax system (not a vindictive one) rather than a vague appeal to primitive instinct.

Difficulties

Nobody denies that some countries do have difficulties when others establish positions of power in their economies. The bid of the Hongkong and Shanghai Bank for the Royal Bank of Scotland has focused attention on foreign stakes in a country's banking. The Canadians in 1967 legislated to keep their banks out of foreign hands: now they have changed their minds, permitting foreign-owned banks to be set up, though under severe restraints. What they wanted was more competition—but not too much. That is a defensible position to take, always provided one remains clear what one is doing.

Doing so is not easy. The in-group out-group reaction is as deeply ingrained, and as easily exploited, as fear itself. And if one looks closely one usually detects it closer to home than one had suspected.

"Cheap" has almost become a stock epithet for imports, with the almost palpable implication that they are cheap and nasty. Or is it suggested that we should all be happy to buy not cheap imports but home products which are not cheap, to wit expensive? The problem for the older industrial companies of meeting the dynamic competition from younger economies is quite difficult enough. Self-deception will only complicate it.

The airfield war museum

BY ANTHONY MORETON, REGIONAL AFFAIRS EDITOR

AROUND BRITAIN

DUXFORD

THE FIRST intimation of Duxford is the tail of a VC-10 standing above the high fencing that prevents drivers from losing concentration on the motorway as they pass the airfield.

Those who pull off the M11 at Junction 10 get a better and safer, view of the collection assembled on the tarmac. There is the pre-production Concorde 01, a B-29 Superfortress, the type that dropped the atom bomb on Hiroshima (only one of two outside the U.S.), a Victor bomber, a Comet airliner, a French Mystere fighter, a Spitfire, a German Junkers Ju 52 and an American Super Sabre. Altogether, there are about 70 aircraft on the strip or in the hangars.

The display is an aircraft enthusiasts paradise and helped to draw a record 377,994 visitors last year. With the first long bank holiday approaching Mr. Edward Inman, Keeper of Duxford Airfield, confidently expects that figure to be topped in 1981.

Mr. Inman's title gives a clue to the ownership of Duxford. The airfield is a department, an outstation, of the Imperial War Museum in London in the same way that the Belfast moored in the Thames between Tower Bridge and London Bridge is.

Strictly speaking, Duxford, 10 miles south of Cambridge, is where the museum restores, keeps and displays many of its larger exhibits. And although it has these 70 aircraft, there are also tanks, army vehicles, miniature submarines and other naval craft on show from countries such as Germany, Russia, China, France and America in addition to our own.

But it is the aircraft which dominate—at least while the collection is being built up. And it is the evergreen Spitfire which provides the best link with the past, for Duxford is not just any other airfield. It was commissioned in 1917 and when it came into service it was one of the first acquired by the Royal Air Force.

Its hangars now have the unusual distinction of being listed buildings because they represent some of the few remaining examples of the sort put up during the First World War. Despite the fact that one was deliberately burnt down during the filming of Battle of Britain, in 1968, the other original three have been supplemented by a fourth built last year, and to the same style, and a fifth is to be added before long.

Duxford was the first home of the Spitfire squadrons Nos. 19 and 66, in 1938, the home for a long while of Douglas Bader and a sector station as part of 12 Group during the Battle of Britain in the summer of 1940. Later in the war it was transferred to the American Eighth Air Force and today houses an exhibition given over to the role that force played in the European operations.

History is therefore in every nook and cranny at Duxford. It is, though, more than history and more than merely the Imperial War Museum that keeps Duxford going. The museum became stationed at Duxford almost by chance. A small organisation, the East Anglian Aviation Society, was restoring aircraft and the museum sent a P-51 Mustang for it to work on.

The Mustang had lain in crates outside the museum's London building in Lambeth for three years and once it was seen what the society could do other aircraft followed. The society has now been renamed the Duxford Aviation Society and because the museum is concerned with recording the history of conflict in the 20th-century, the society is responsible for all the civil aircraft on display.

There is a third partner in the operation—Cambridgeshire County Council. The county owns and runs the airfield, including the 4,500 feet runway (reduced to this length when the motorway sliced off the last 1,500 feet). The airfield is open to aircraft throughout the week, which not only allows the museum to bring craft in but also to hold twice-yearly air displays which attract around 40,000 visitors.

All these activities inter-link but those of the museum are, inevitably, at the core. For this reason the existence of Duxford has considerably eased the pressure on the Lambeth Road building in London. It has allowed some of the larger exhibits to be moved out and displayed not only in their natural surroundings but in spacious ones. It has also allowed the museum to move many of its records out of expensive storage in London and, eventually, put them on display.

The museum has, for example, 5m photographs and countless paintings, all of which have been stored away. Now that the display side of Duxford is firmly established the next step is to enlarge the facilities to offer a greater range of items on show.

Airworthy B-17G Flying Fortress at Duxford.

The museum has just acquired the former station's officers' mess, across the road from the airfield, and the intention over the next five years is to use some of the outbuildings as storage centres and turn the main rooms of the mess into galleries, some showing the art collection and the rest the photographs.

At the same time the museum is creating closer links with American historical societies. It already has close relations with the Eighth Air Force Historical Society and has just launched a fund to enable it to acquire more American aircraft.

The Americans have been generous: the B-29 was a gift of the U.S. Navy and the museum would like to have a P-47 Thunderbolt and a B-24 Liberator, both aircraft which flew missions from the airfield during 1943, 1944 and 1945 before the station returned to the RAF.

A further step would be to move into sponsorship Mr. Inman is already investigating how this might be most profitably accomplished.

Duxford is the largest revenue earner of any of the Government's museums—not altogether surprising since most of them charge no admittance fee whereas it levies £1 for adults and 50p for children and OAPs. But this does not deter people. Last Easter Monday it catered for 12,000 visitors and this year, given good weather, should exceed that figure.

Duxford needs the money to expand the collection and put more of the exhibits in hangars. Aircraft left in the open deteriorate rapidly and cost a lot more to maintain than those in hangars. Duxford simply has to be commercially orientated.

Chateau Dancer may surprise

RACING

BY DOMINIC WIGAN

LESTER PIGGOTT has made a habit of winning the Group 3 Fred Darling Stakes since his early days with Noel Murless. Through Chateau Dancer he looks to have more than an outside chance of taking today's renewal of the Newbury Classic Trial.

Piggott was seen at his most forceful in this event a year ago when forcing Millingdale Lillie up on the line to touch off Mrs. Penny. He has had better Fred Darling mounts than Chateau Dancer. However, he has not partnered a more consistent filly in the race nor one from a stable in better early season form.

Chateau Dancer is trained by Capt. Ryan Price and is expected to show an edge both in fitness and in well-being over the unbeaten Marwell.

Although Michael Stoute's 1,000 Guineas hope Marwell is entitled to start a short-priced favourite on the strength of her juvenile efforts, which included a win in the William Hill Cheveley Park Stakes, recent reports concerning her are not encouraging. The Habitat bay is said to have grown little over the close season and has not impressed in recent work.

For this reason I intend taking a chance with Chateau Dancer, who showed her appreciation for this course last season in getting the better of Golden Bowl in the Kingsclere Stakes.

An hour before the Fred Darling (a race which has seen several odds-on favourites toppled in recent years), Piggott will be attempting to win another race, the Spring Maiden Stakes, for a second year running.

Successful on Saviour in 1980, he will be aboard Brave Hussar this time. A once-raced colt owned by Mr. Jim Joel and trained by Henry Cecil, Brave Hussar was extremely backward when not once threatening Uppety on the Rowley Mile course in October.

However, Brave Hussar, a Brigadier Gerard colt, is reported to be more forward than some at Warren Place. He will leave the form well behind.

NEWBURY

2.00—House Pitch*
2.30—Blare**
3.00—Steel Garrison
3.30—Chateau Dancer***
4.00—Admiral's Barge
4.30—Royal Heritage

TV/Radio

BBC 1

†Indicates programme in black and white

6.40 am Open University (Ultra high frequency only). 12.00 The Space Shuttle. 1.05 pm News. 1.20 Pebble Mill at One. 2.05 Mr. Benn. 3.25 Trem. 3.53 Regional News for England (except London). 3.55 Play School (As BBC 2 11.00 am). 4.20 The Humpbacked Pony.

5.10 The Record Breakers.
5.40 News.
5.55 Nationwide (London and South East only).
6.20 Nationwide.
7.00 A Question of Sport.
7.30 "Carry On Leo," starring Sidney James, Kenneth Williams, Kenneth Connor and Charles Hawtrey.
9.00 News.
9.25 Starsky and Hutch.
10.15 London — Issues and Answers (London and South East only).
10.45 News Headlines.
10.50 The Late Film: "The Night They Raided Minsky's," starring Jason Robards, Britt Ekland and Norman Wisdom.

All Regions as BBC 1 except as follows:

Cymru/Wales—1.45-2.00 pm O Dan Y Mor. 5.10-5.40 Florida. 5.55-6.20 Wales Today. 7.00 Tom and Jerry. 7.05 Heddiw. 7.35 Trem. 8.00 Pride of Place. 8.30-9.00 Terry and June. 10.15 Music Makers. 11.05 News for Wales. 11.06-12.41 am The Late Film: "The Night They Raided Minsky's."

Scotland—12.40-12.45 pm The Scottish News. 5.55-6.20 Reporting Scotland. 10.15 The Beechgrove Garden. 10.45-10.50 News for Scotland, National News.

Northern Ireland — 3.53-3.55 pm Northern Ireland News. 5.55-6.20 Scene Around Six. 10.15 Spotlight. 10.45-10.50 News for Northern Ireland, National News. 12.30 am News and Weather for Northern Ireland.

England—5.55-6.20 pm Look East (Norwich); Look North (Leeds); Look North (Newcastle); Look North West (Manchester); Midlands Today (Birmingham); Points West (Bristol); South Today (Southampton); Spotlight South West (Plymouth). 10.15-10.45 East (Norwich)—Weekend; Midlands (Birmingham) — The Golden Goose; North (Leeds)—Success Story: Roy Mason, MP; North East (Newcastle)—Coast To Coast; North West (Manchester)—Unlucky for Some?; South (Southampton) — The New Foresters; South West (Plymouth)—Jobwatch; West (Bristol)—Public Life: St. Paul's.

BBC 2

6.40-7.55 am Open University.
11.00 Play School.
1.45 pm Embassy World Professional Snooker.
4.50 Open University.
6.55 Gardener's World.
7.20 Mid-Evening News.
7.30 Snooker.
8.00 Shakespeare in Perspective.
8.25 Hong Kong: Living On Borrowed Time.
9.00 Call My Bluff.
9.30 Playhouse.
10.40 Snooker reports.
10.45 Newsnight.
11.30 Snooker highlights.
†12.20 am The Outer Limits.

LONDON

9.30 am Nature Of Things. 9.55 Patterns. †10.20 "To See Such Fun" (narrated by Frank Muir). 11.50 Cartoon Time. 12.00 The Magic Ball. 12.10 pm Once Upon A Time. 12.30 The Space Shuttle. 1.00 News plus FT Index. 1.20 Thames News. 1.30 Take The High Road. 2.00 After Noon Plus. †2.45 Friday Matinee: "Young Wives' Tale." 4.10 Five Magic Minutes. 4.15 Survival Special. 5.15 Clapperboard.

5.45 News.
6.00 Thames News.
7.00 Family Fortunes.
7.30 Vegas.
8.30 Holding The Fort.
9.00 My Father's House.
10.00 News.
10.30 Benson.
11.00 The London Programme: Who's Not Going to the Zoo Tomorrow?
11.35 Have Girls Will Travel.
12.30 am Close: Personal Choice with Rosalind Runcie.

All IBA Regions as London except at the following times:

ANGLIA

9.30 am Pavilion Folk. 10.00 Cities. 10.50 Jewellery Throughout 7000 Years. 11.15 Poetry of Landscape. 11.30 Floodlit Crown Green Bowling. 1.20 pm Anglia News. 2.00 Houseparty. 2.25 Friday Film Matinee: "The Man Upstairs," starring Richard Attenborough, Bernard Lee and Donald Houston. 6.00 About Anglia 7.30 Miss Anglia Final. 10.30 7 Days. 11.00 Soap. 11.30 Tenspeed and Brown Shoe. 1.14 am Your Choice.

ATV

9.35 am George Hamilton IV. 10.00 Bailey's Bird. 10.25 Wild Wild World of Animals. 10.45 The Adventures of Niko. 11.15 The Fastest Man In The World On Water. 1.20 pm ATV News. †2.45 Movie Matinee. "Sabotage" 6.00 ATV Today. 10.30 Soap 11.00 ATV News. 11.05 Peter Cushing Master of Terror in "The House That Dripped Blood."

BORDER

9.30 am Coral World †10.20 Morning Film: "Harold Lloyd's World of Comedy." 11.50 Cartoon Time 1.20 pm Border News. 2.45 Matinee: "Sidekicks," starring Larry Hagman. 6.00 Lookaround Friday. 6.30 Out of Town. 7.30 Vegas 10.30 Your MP. 11.00 Soap. 11.30 Border News Summary.

CHANNEL

1.20 pm Channel Lunchtime News. What's On Where and Weather. 2.45 The Friday Matinee: "Bless This House." 6.00 Channel Report. 6.30 All That Jazz—Paul Sawtell. 6.55 What's On Where. 10.28 Channel Late News. 10.36 Soap. 11.05 Quincy. 12.05 am News and Weather in French.

GRAMPIAN

10.00 am First Thing. 10.05 Larry The Lamb in Toytown 10.15 Focus On Wildlife. 10.45 Spiderman 11.05 Chopper Squad. 11.55 Hales and Batchelor Cartoon. 1.20 pm North News †2.45 Friday Matinee: "The Great Chase," starring Douglas Fairbanks Jnr. 6.00 North Tonight including Sportscall. 10.30 Police Story. 12.15 am Seachd Laithean—News and film reports presented in Gaelic. 12.30 North Headlines, Road Report.

GRANADA

9.30 am Wildlife in Crisis. 9.50 The Flintstones. 10.15 Chopper Squad. 11.00 Sesame Street. 1.20 pm Granada Reports. 2.00 Live From Two. †2.45 Friday Matinee: Mai Zetterling in "Off Beat" 6.00 Granada Reports 6.30 Kick Off. 10.30 A Week On Friday. 11.00 Soap 11.30 After All That, This. 11.40 The Late Film: Joanne Woodward in "Rachel, Rachel."

HTV

9.45 am Survival 10.10 Stars On Ice. 10.35 Beachcombers. 11.00 Sesame Street. 1.20 pm HTV News. 2.00 Houseparty. 2.25 The Friday Matinee: "The Daring Dobermans." 4.00 Hoppy Daze. 6.00 Report West. 6.30 Welcome Back Kotter. 7.30 Chips. 10.28 HTV News. 10.35 Report Extra. 11.05 Soap. 11.35 Kate Loves a Mystery.

HTV Cymru/Wales—As HTV West except:—12.00-12.10 pm Ffalabalam 4.10 Welwch Chi? 4.40 The Adventures of Black Beauty. 5.10-5.15 Cartoon. 6.00 Y Dydd. 6.15-6.30 Report Wales. 10.35-11.05 Outlook.

SCOTTISH

SOUTHERN

TYNE TEES

ULSTER

WESTWARD

YORKSHIRE

RADIO 1

(S) Stereophonic broadcast
‡Medium wave

5.00 am As Radio 2. 7.00 Mike Read. 9.00 Simon Bates. 11.00 Andy Peebles. 12.30 pm Newsbeat. 12.45 Paul Burnett 2.30 Steve Wright. 4.30 Peter Powell. 5.30 Newsbeat. 5.45 Roundtable. 7.30 Anne Nightingale. 10.00-12.00 The Friday Rock Show (S).

RADIO 2

5.00 am Ray Moore (S) 7.30 Terry Wogan (S). 10.00 Jimmy Young (S). 12.00 David Hamilton (S). 2.00 pm Ed Stewart's Request Show (S) including Racing from Newbury 4.00 Much More Music with Jean Challis (S). 6.00 John Dunn (S). 8.00 Take Your Partners in the Radio 2 Ballroom (S). 8.45 Friday Night is Music Night (S). 9.55 Sports Desk. 10.00 The Little and Large Party. 10.30 The Organist Entertains. 11.03 Brian Matthew with Round Midnight, including 12.00 News 2.00-5.00 am You And The Night And The Music (S).

RADIO 3

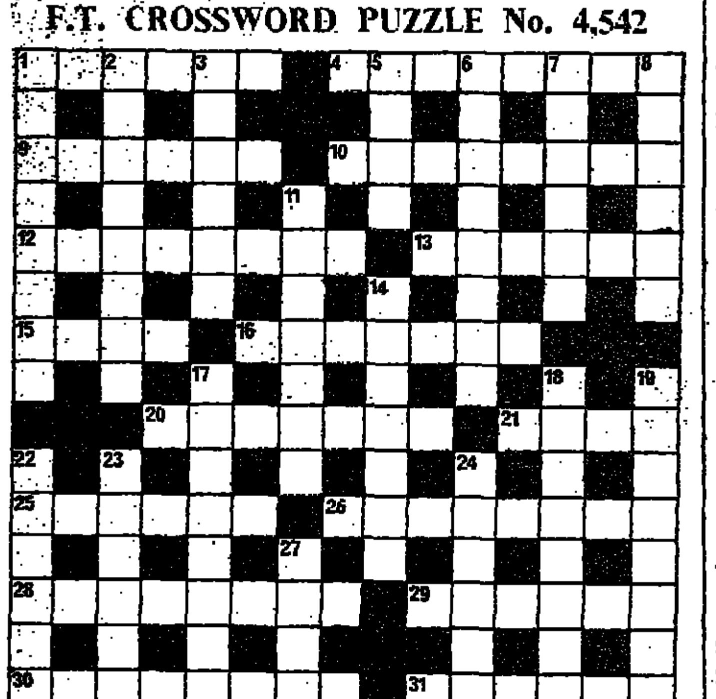
6.55 am Weather. 7.00 News. 7.05 Morning Concert (S). 8.00 News. 8.05 Morning Concert (continued). 9.00 News. 9.05 This Week's Composers: The Court of the Sun King (S) 9.45 Peter Donohoe piano recital (S). 10.35 BBC Welsh Symphony Orchestra (S). 11.30 Clarinet, Violin, Piano recital (S). 12.15 pm Concert in Stirling, part 1 (S). 1.00 News. 1.05 Concert in Stirling, part 2 (S). 2.00 The Ages of Man (S). 2.45 Martha Argerich Playing Duets with Alexis Golovin (S). 3.45 Coull String Quartet (S). 4.25 Test Match Special—Fifth Test: West Indies v England. 6.35 Mainly for Pleasure (S) (joining VHF). 6.55 Play It Again (S). 7.00 Elgar. 7.15 Osbert and Sir George. 7.30 Hakan Hagegard: Song recital, part 1 (S). 8.00 Christianity and the Ecological crisis. 8.20 Hakan Hagegard, part 2 (S). 9.05 One Pair of Ears. 9.20 Mozart (S). 9.35 Music in Our Time (S). 11.00 News. 11.05-11.15 Konrad Junghanel plays Bach on the lute (S)

VHF with Medium wave except as follows: 5.55-6.55 am Open University. 4.25 Guitar Duets. 4.55 News. 5.00-6.35 Mainly for Pleasure (S). 11.15-12.55 am Open University.

RADIO 4

6.00 am News Briefing. 6.10 Farming Today. 6.25 Shipping Forecast. 6.30

F.T. CROSSWORD PUZZLE No. 4,542



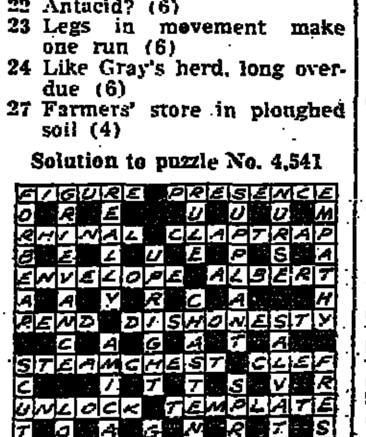
ACROSS

1 Small case does not close or fasten (6)
4 Night air? (8)
9 Menace of the Mad Hatter (6)
10 Here's hoping common drug is treated with gravity (8)
12 Two kinds of pen make one lag (4-4)
13 Initially stern, terribly rigid in child-training (6)
15 Marsh-grass, ideal place for retiring animal (4)
16 Strange places left after one makes theatre-cuts (7)
20 Eastern dish often preferred to sultanas? (7)
21 Lake of maritime region (4)
25 Musical boy (6)
26 Statesman to dream, perhaps, about Carter's first term (8)
28 Drawing-tape? (8)
29 N.W. river—bible river, in a way (6)
30 World race into destruction? (8)
31 Dark lady can't begin to find way out (6)

DOWN

1 Self-banking kind of aircraft (8)
2 All that money changing hands just for a pie (8)
3 Cramped like the side-walk type? (6)
5 Breakfast food latterly in the oven (4)
6 Hire-tent collapsed, how unlucky! (8)
7 Cake ingredient lifting, almost (6)
8 Ant showing indecision at narrow opening (6)
11 Blood count (7)
14 The mustard variety used as a dresing (7)
17 Fan sticking? (8)
18 What can be worn? . . . (8)
19 . . . battered hats, free with suitable trimmings (8)
22 Antacid? (6)
23 Legs in movement make one run (6)
24 Like Gray's herd, long overdue (6)
27 Farmers' store in ploughed soil (4)

Solution to puzzle No. 4,541



ENTERTAINMENT GUIDE

OPERA & BALLET

THEATRES

CINEMAS

ART GALLERIES

FINANCIAL TIMES

PUBLISHED IN LONDON & FRANKFURT

Mr. Sussex, who farms fifty acres in East Devon, had an unforgettable Bank Holiday Monday.

In the small hours of the morning he played host to a few unexpected guests.

Altogether about fifteen members of the Cullompton Fire Brigade attended.

When they arrived, Mr. Sussex's home was ablaze. When they left, at eight o'clock in the morning, it was in ruins and in spite of all their gallant efforts Mr. Sussex, his wife and four children were homeless.

Which was something that could not be said about the rest of Mr. Sussex's dependants; his herd of pedigree Friesians.

They were still perfectly at home in their pastures and as much in need of Mr. Sussex's constant attentions as ever.

A fact that was not lost on the loss adjuster we put in charge of the case.

He gave up his Bank Holiday afternoon to visit the Sussex's at what was left of their farmhouse.

There and then he declared the farmhouse a write-off and agreed to pay Mr. Sussex £1,000 to take care of his immediate expenses.

But there was still the problem of where the Sussex's were going to live.

If Mr. Sussex had worked in an office it would have been no problem. We'd have put him, and his family, up at a hotel.

But, as Mr. Sussex pointed out, you can't run a farm from a hotel room. His cows expect a 6.30 a.m. call for milking and calves like fires start at all hours of the day and night.

Obviously it was vital for Mr. Sussex to live where every farmer belongs; down on the farm.

Mr. Sussex himself found the perfect solution to his, and our, problem.

It took the form of a 42ft, three bedroom mobile home. He paid £1,500 for it and we paid him back the very next day.

He parked it right next to the cowshed and lived in it quite comfortably until his house had been rebuilt.

Mr. Sussex, it seems, doesn't treat farming as a nine to five job.

CU ASSURANCE

Just as we, and Mr. Sussex will back us up on this, don't treat insurance as a nine to five affair.

We won't make a drama out of a crisis.

We knew the cows couldn't wait for the farmer to come home.

Technical Page

EDITED BY ARTHUR BENNETT AND ALAN CANE

Advance claimed in injection efficiency

AN ADVANCE in injection-moulding efficiency in the plastics industry is claimed for a U.S. system, developed and manufactured by the Incoe Corporation, of Troy, Michigan, and introduced to the UK market by Engelmann and Buckham Ancillaries (0420 82421).

The main claim is that it provides positive control of the fill of each mould cavity instead of the usual reliance on injection pressure to actuate valving, more precise control of gate open and close times, faster cycles, improved product finish, and regulation of flow and velocity through particular gates on multiple-gate cavities.

Each gate is opened or closed independently and positively by a two-way hydraulic cylinder, each cavity being open only for the time required to reach the optimum fill. With a ⅜-in bushing but no torpedo, the tube tapers to 0.1 in. At that point it is sealed by a ⅛-in pin which opens and closes the gate at pre-set intervals.

As the mould closes a limit switch opens all the valves, which are then closed as pre-programmed. Core heaters maintain the temperature in the valve gate bushing, while the appropriate number of temperature zones in the direct-flow hot manifold is determined for each customer's requirement so that the system can be supplied on a turn-key basis. The mould can be either connected to the injection moulding machine hydraulics or to a self-contained hydraulic source.

System designed to aid international banks

A COMPUTER system designed to help international banks to meet and solve the problems of the 1980s has been announced by Ventek Computers. Named Databank, it has been developed as an easily operated integrated system capable of being tailored to meet the precise needs of a particular bank. Vantek claims that it can be operated by bank officials who have no detailed knowledge of computers.

Databank is designed to provide a comprehensive and integrated accounting system for foreign exchange dealing, money market dealing, commercial loans, letters of credit, guarantees issued and received, bills discounted and discounted, and Eurobond trading.

It is also claimed to be an effective information instrument for risk management, an increasingly important feature of international banking services in a volatile business world. It can be used to monitor credit lines provided to customers, either individually or in groups, providing up-to-date data in real time about a customer's drawings, the amount remaining against his credit limit, the amount repaid, and the participating parties in a loan facility. It will also handle multi-currency drawings automatically, Ventek claims.

Cold comfort for computer manufacturers

BY ALAN CANE

THERE IS little comfort for computer and peripherals manufacturers in the latest mass survey of opinion among computer users, published this week.

In the past nine months, the proportion of companies that believe they will spend more on computer hardware in the coming year has fallen from 66 per cent to 52 per cent. The proportion that believe they will spend less has doubled from eight per cent to 16 per cent.

So, even if the recession is "bottoming-out" in general, as economic indicators would suggest, the computer industry may have some way further to go.

But there are signs that falling demand for systems analysts, perhaps a more sensitive indicator of the state of the economy, has reached a steady state.

Eighteen months ago, 46 per cent of companies thought they would be employing more analysts and programmers in the year ahead. That fell to only 22 per cent last December and has now risen to 26 per cent. The steep decline was probably a reflection of the financial situation and the shortfall in systems analysts and programmers available for employment.

The survey is carried out by the consultancy Urwick Dynamics in conjunction with Computing newspaper. It is published every three months and with more than 570 respondents, is the largest opinion survey of its kind in the UK computer industry.

According to the survey co-ordinator, Joanna Donaldson of Urwick Dynamics, efforts to improve the efficiency of existing hardware lie behind the purchasing decisions.

One user said: "We purchased one mainframe and leased the second on the assumption that we would need both—if not more."

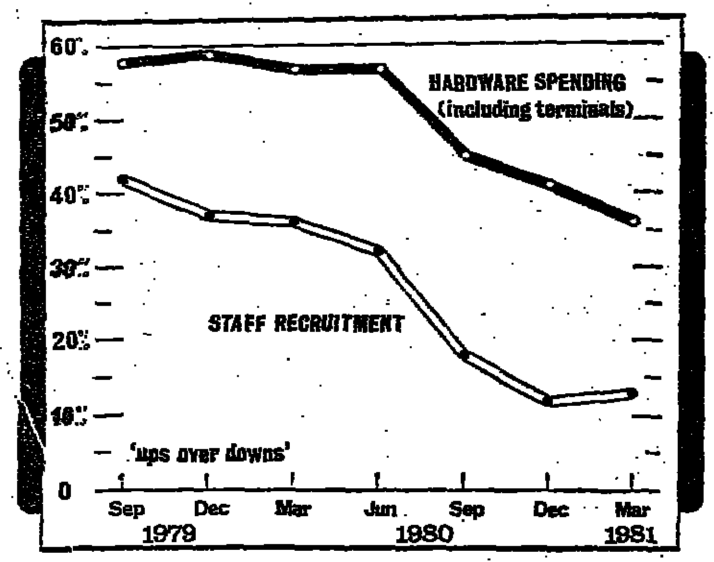
"Since that time, we have put in a lot of study on how to optimise the systems of just one machine and increase throughput. We have increased efficiency and reduced staff."

He added: "The manufacturer was a little unhappy at the decreased business, but seemed to get a perverse pleasure from the fact that we had achieved the same throughput with less hardware."

Some 51 per cent of engineering firms intend to spend more on hardware in the next 12 months with an interesting move towards small machines.

One engineering company said: "You cannot get a machine tool for much less than £10,000 these days, but these micros are about £1,000. We put in 30 last time round and shortly we are going to buy another 120."

Those business areas which intended to spend less on hardware in the coming year include education and research, where 60 per cent of institutions are cutting down, public administration (21 per cent) and finance (21 per cent).



It is clear from discussions in industry that companies are anxious to increase their computing power, but final agreements to contracts is getting much harder to achieve.

Computer staff, traditionally showing high turnover rates, have stabilised with the downturn in recruitment.

As one user said: "All that we are left with now is a degree of recentralisation. We have a number of staff dispersed round the company and we are considering pulling them together again. Any staff changes are just a case of regrouping."

But the inexorable decline in employment for data entry and operating staff, the people who run, and tend the computers, continues.

One user pointed out: "Data entry staff are expected to decrease because of a move from a batch to an on-line environment." Another said: "We are moving data entry back to source, so we will obviously have less need for data entry staff."

The continued interest in packaged software, computer programs which serve standard functions and which require little modification to fit any users' requirements is shown by the fact that over the 18 months the survey has been running, the proportion of companies planning to increase their spending on packages has never been less than 60 per cent.

Typical comments were: "We will increase our packaged software expenditure because we cannot get the right people. It will be chiefly applications software," and "buying bits off the shelf is great. You can put the concept up in one go by identifying and implementing the parts."

The employment and financial situation is reflected in the change from last June when 70 per cent of companies expected to pay more than 14 per cent in salary increases in the coming year. Only four per cent expect to do so now. Most companies expect to pay increases between five and nine per cent.

The data processing manager's greatest problem is still completing projects on time, reflecting the number of staff available and the pressure to maintain existing systems while pushing on with the new. Urwick Dynamics can be contacted on 01-229 7246.

DUCT now on market

COMPUTER-AIDED design software for three-dimensional surface modelling is now being marketed world-wide by Compeda of Stevenage.

Known as DUCT, it has been designed and developed by the Wolfson Industrial Unit at Cambridge University in conjunction with industry. Current users include Daimler Benz, British Leyland, the Delta Group and PERA. Applications have ranged from design and tooling for car engines to the design of bathroom fittings and their tooling.

DUCT allows designers to create and manipulate complicated surfaces on the screen. Such shapes frequently occur in the casting, moulding and forging of components. Once a design has been finalised DUCT will produce either precision templates from the computer or its plotter or will produce punched tapes for immediate use on numerically controlled machine tools.

In much tooling for die-casting and injection moulding, for example, this kind of work is largely carried out by hand. DUCT is faster and more accurate and automatically produces the necessary data for manufacture. Compeda is on 0438 56122.

Monitoring the diver

THE PHYSIOLOGICAL condition of a diver at depths down to 1,800 ft can be monitored with a multi-channel digital telemetry system developed by British Hovercraft Corporation of the Isle of Wight (0983 294101).

A small unit on the diver's back receives signals from sensors which measure his skin temperature, the temperature of the hot water at the inlet to his suit, and the breathing gas temperature. Voice communication is also monitored.

The unit multiplexes the signals and sends them to the diving bell where they are combined with similar data from the diver in the bell. All the signals are then sent in combined form to the surface over a simple two wire link where they can be recorded and displayed immediately or at a later time.

Analysis of the data at the surface allows the thermal balance of the divers to be kept under review for over 12 hours before it becomes necessary to change the tape.

Operation is from a ship-borne power supply but is fed to the underwater units at 12 volts DC.

NEWS IN BRIEF

SHOTBLASTING

A RANGE of mobile closed-circuit shot-blasting machines designed for on site operation, introduced by Vacu-Blast (0753 26511), is said to meet a wide variety of surface preparation and finishing requirements and to be suitable for ferrous and non-ferrous abrasives including glass beads.

Portability is claimed to make the machines especially suitable for producing high-quality finishes on particular areas of components or fabrications where access is difficult during construction, assembly or maintenance. Closed-circuit design permits the machines, named the O4 range, to be used almost anywhere, since blasting and abrasive recovery functions are confined within the body of the gun.

Blasting can be carried out safely in an open area without screening or protective clothing, while the self-contained pressure blasting and abrasive recovery system minimises abrasive consumption and operating costs, Vacu-Blast claims. The pressure is said to be large enough for a blasting cycle of at least five minutes. Blast control is fitted as standard, providing pressures of from 2.5 bar to 7 bar.

MACHINE TOOLS

THE ABILITY to form in sequence up to 12 different bends in a metal tube, with each bend radius automatically selected, is claimed for the Addison Universal Brown 32/12 mandrel type hydraulic tube bending machine imported from Italy by the Addison Tool Co. (01-993 1661). The required sequence of bends is pre-set on a 12-station turret with trip dogs positioned against the graduated scale for the required angle of each bend. The turret automatically indexes after each bend and returns to zero at the end of the pre-set sequence.

The machine can also be supplied with a selector carriage for determining the plane of bend, or tube rotation between bends. The carriage automatically locks in the required position when the tube is manually rotated and also at the required distance between bends. This minimises scrap, eliminates positioning jigs and simplifies setting up, Addison claims.

CUTTER PATHS

FOR NC machine work, the ability to define tool/cutter paths directly from a design database generated from a CAD screen — the purpose of Computervision's Designer V system —has been augmented by a new facility called Dynamic Tool Motion.

The object is to obviate collisions of any parts of the machine tool because momentum in such collisions can cause serious damage and danger.

Using the Designer V screen facilities, the user who is programming the component defines the cutter path, the proposed tool elements and a programmed feed rate or rapid motion. The computer and screen system then exactly simulates the action of the complete mechanism when cutting or milling.

Any potentially dangerous motions can then be corrected and the results assessed on the screen.

In this way the precise action of a machine tool on a specific workpiece can be fully defined and tested before work begins in the machine shop. More on 01-561 2626.

EXCAVATOR

DESIGNED FOR work in confined spaces, a 360-degree slew self-propelled hydraulic excavator from Richard Smalley (Engineering), Sleaford (052 95 391) is available with either a 70 bhp Perkins water-cooled diesel engine or a Lister HR4 air-cooled diesel of the same power. Known as the Smalley 470, the excavator is said to use the latest hydraulic technology to provide a simple and easily maintained hydrostatic drive and servo-assisted controls.

Available extras include a dozer blade for backfilling and snow ploughing, jib-mounted hammers, flail-mounted verge trimmer, winch, grabs and sludge pump. Smalley says that the tail swing of only 1.4 metres and jib swing of 2.5 metres has been achieved by the careful design of jib and dipper geometry and the use of advanced hydraulics. With a pivoted rear axle the machine can turn sharply for working in confined spaces. The road speed is about 20 mph.

Anglo-U.S. exhibition planned

THE INSTITUTE of Measurement and Control and The Instrument Society of America are to join forces to promote a new exhibition in London devoted to measurement and control in the process industries.

Called Promecon/81 it will occupy 2,000 square metres at the Wembley Conference Centre and will be held in conjunction with a conference which the organisers assert will be "an important event in its own right." The three sessions will cover process chemical analysis, advances in sensor technology and advances in control engineering.

Further details about the event, which will be held from June 16 to 18, can be obtained from the Institute at 20 Peel Street, London W8 7PD (01-727 0083).

20-volume pad layout

A 20-VOLUME pad layout file containing nearly 3,000 electronic device layouts and covering all the leading manufacturers of semi-conductors has been introduced by Hybritek (061-681 6658). The pad layouts are arranged so that designers can easily identify the relative size and disposition of electrically equivalent chips. The rapid selection of alternatives, if a specified or preferred type is not available ex-stock, is claimed to be simplified. Each pad layout gives details of the chip size and pin-out and in some instances the complete chip function.

COMPANY NOTICES

SOCIETE CENTRALE DE BANQUE

U.S.$20,000,000.- FLOATING RATE NOTES DUE 1987

For the six months, April 3, 1981, to October 4, 1981, the notes will carry an interest rate of 14⅝% per annum.

The interest due October 5, 1981, against coupon nr. 4 will be U.S.$ 75,16 and has been computed on the actual number of days elapsed (185) divided by 360.

THE PRINCIPAL PAYING AGENT.
SOCIETE GENERALE ALSACIENNE DE BANQUE
15, Av. E. Reuter
LUXEMBOURG

LONDON BRICK COMPANY LIMITED

NOTICE IS HEREBY GIVEN that the Transfer Books and Register of Ordinary Stock will be closed on 28th April, 1981.
By Order of the Board
H. D. HOWE, Secretary.
Registrars:—
The General Agency & Trust Limited,
Bourne House,
34, Beckenham Road,
Beckenham,
Kent, BR3 4TU.

JAMES BEATTIE LIMITED

NOTICE IS HEREBY GIVEN that the TRANSFER BOOKS relating to the 6½% FIRST MORTGAGE DEBENTURE STOCK 1979-81 of the Company will be closed from 23rd to the 30th April, 1981, both dates inclusive.
By Order of the Board,
G. T. LOWNDES, Secretary.
71-78 Victoria Street,
Wolverhampton.

AUSTIN REED GROUP LIMITED

NOTICE IS HEREBY GIVEN that the Register of Members will be CLOSED and the registration of transfers of ALL CLASSES of shares will be suspended from 4th to 15th May 1981, both dates inclusive.
By Order of the Board,
G. J. TUBB, Secretary.
P.O. Box No. 2,
Thirsk,
N. Yorkshire, YO7 1PF.

AALL & COMPANY LIMITED INC.

NOTICE IS HEREBY GIVEN that the Annual Stockholders meeting of the company will be held at the Plaza Athenee Hotel, Avenue Montaigne, Paris at 11.00 a.m. on the 11th May 1981 for the purpose of:
1.) Approving the accounts for the year ended 31st December 1980.
2.) Appointment of Directors.
3.) Considering the Agenda and such other business as may come before the meeting.

A registered Stockholder entitled to vote at the meeting may appoint a proxy to attend and vote for him provided the form of proxy reaches the undersigned not later than 24 hours before the meeting.
By Order of the Board,
MICHAEL NASH, Secretary.
Dated this 30th day of March 1981,
AALL & COMPANY LIMITED INC.
The Aall Building,
North Church Street,
P.O. Box 932,
Grand Cayman, B.W.I.

DAVIES & METCALFE LIMITED

NOTICE IS HEREBY GIVEN that the TRANSFER BOOKS of the Company will be CLOSED from 21st April 1981 to 24th April 1981.
By Order of the Board,
R. ALLEN, Secretary.
Injector Works,
Romiley,
Cheshire.

CORRECTED NOTICE
NOTICE OF REDEMPTION
MARRIOTT OVERSEAS CORPORATION N.V.
9.75% GUARANTEED NOTES DUE 1982

SECOND REDEMPTION DUE MAY 1, 1981 OF U.S. DLRS. 4,000,000

The following number of the Notes to be redeemed in the Notice published in the Financial Times on March 31, 1981 was incorrectly published.
4564, the correct number is 4655
For: Marriott Overseas Corporation N.V.
BANK OF AMERICA INTERNATIONAL S.A. LUXEMBOURG
(Fiscal Agent and Principal Paying Agent).

PERSONAL

IN LIVING MEMORY

Floral tributes fade. Your regard for a departed friend lives on if you make a donation in their name to Help the Aged's work—towards a Day Centre for the lonely, medical treatment or research for the old, or help for the housebound. Every £ achieves a great deal for the old. Please let us know the name you wish to commemorate.

Send to:
The Hon. Treasurer, The Rt. Hon. Lord Maybray-King, Help The Aged, Room FT1NM, 32 Dover Street, London W1A 2AP

PUBLIC NOTICES

DONCASTER METROPOLITAN BOROUGH COUNCIL
£6,000,000 Bills at 11 1/16% issued 9th April, 1981. Applications totalled £40,000,000. These are the only Bills outstanding.

PRESTON CORPORATION BILLS
£600,000 Bills issued 8th April 1981 at 11 27/64% to mature 8th July 1981. Applications £3,000,000. None outstanding.

EXHIBITIONS

ASH BARN, Winchester Rd., Petersfield, Hampshire. Tel: 3662. Spring Exhibition of Paintings & Sculpture. Until May 31st.

CLUBS

EVE has outlived the others because of a policy of fair play and value for money. Supper from 10-3.30 am. Disco and top musicians, glamorous hostesses, exciting floorshows. 189, Regent St. 734 0557.

GARGOYLE, 69, Dean Street, London, W1. NEW EROTIC FLOORSHOW "CLOSE ENCOUNTERS" 11-3.30 am. Shows at Midnight and 1 am. Mon.-Fri. Closed Saturdays. 01-437 6455.

EDUCATIONAL

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THE ARTS

Cinema

Tess in aspic by NIGEL ANDREWS

Tess (A) Empire Leicester Square.
Popeye (U) Odeon Leicester Square.
Superman 2 (A) Warner West End.
Rockshow (U) Classic Oxford Street.

Thomas Hardy's novels unfurl in a rural myth-land where tragedy lours like rain-thick clouds—needing only the salt of fateful coincidence to precipitate a downpour—and where budding pride and goodness fight a constant battle against ignorance, moral bigotry, exploitation and received ideas. Baldly summarised, *Tess of the D'Urbervilles* sounds like a clonk over the head with a vellum-bound Victorian blockbuster: a young peasant girl successively deflowered by a *roué*, robbed of her out-of-wedlock baby by its early death, wedded and deserted by the pious son of a cleric, and finally driven to murder, brief flight and the gallows.

And yet in the reading "Tess" is perhaps the most modern of Victorian novels, because Hardy draws his heroine in such dazzling empathetic detail—a mind as alive with thought and feeling as a meadow humming on a summer day—that she is never a "victim," always a fighter, a thinker, a feeler, a human being, a woman.

Roman Polanski's film, shot in France with a Babel-like confusion of nationalities on its call-sheet (director Polish director, German leading lady, a French and an English producer, a French and an English cameraman) turns out to be the Victorian novel Hardy never wrote. Polanski, with a weird and one truly suspects innocent perversity, has turned the clock back to present his heroine as a pretty-pouting damsel-in-distress, so much more sinned-against than sinning in Nastassia Kinski's large-eyed, pale-cheeked performance (pluckily dispensing a shakily shipshape Dorset accent) that all Hardy's subtle interfusings of good and evil are polarised in a bucolic morality fable of Her against Them: the country girl who is Nature's innocent against the male predators and hypocrites who are the World's appointed tarnishers.

At first the simple-minded tone of Virtue Betrayed seems a bizarre departure for Polanski, maestro of grand guignol and the polymorphous-perverse. But a moment's head-scratching and one realises that this Sunday School manicheism is merely the other side of the Polanski coin. The Romantic Agonist who gave us batty, engulfing Evil in *Repulsion* and *Rosemary's Baby* foregrounds in *Tess* a sort of batty, engulfed Good. The hyperbolic vision is the same, only the viewpoint has been changed. In the process, Polanski pushes his heroine towards a condition of such sweet and saintly passivity that she seems *not only born to lose in the* Great Battle of Life but, worse, martyr-like, *content* to lose.

Around this still and sweetly-doomed centre Polanski deploys his armies of the world—Leigh Lawson as seducer Alec, with black hair and velvet insinuating voice and Peter Firth as husband Angel, self-styled free-thinker with scant tolerance for the fallen—plus the pastoral beauties of Wessex, alias Normandy. The film is a dream to look at as shot by Geoffrey Unsworth and Ghislain Cloquet: now summer landscapes awash with buttercups, now winter hillsides groaning under snow. But *Hardy's Wessex wasn't a dream*, it was a reality—with a penchant for the nightmarish. The film's period-piece pastoralism petrifies the story in prettiness.

So anaesthetically "classical" is the film's visual style that one doesn't know if the few scenes when the pulse quickens at something like Expressionism are accidents or not: a lurid, sunset-red back-projection as Tess's nobility-obsessed father rolls past in a dog-cart singing the glory of his ancestry; the golden halo-like whirring of a turnip-cutting machine behind *Tess's head* as she talks to Alec. Once or twice, also, a hiccough in the movie's storytelling remorselessness reminds us that Polanski can be a great surrealist. At Talbothays Dairy, the camera glides out from a midnight scene of Tess's young-girl workmates in conspiratorial dormitory chat down into a room below where cheeses hang from the ceiling like udders, dripping with a slow tick-tick *through the muslin*. It's an intangible but exciting symbol —a mystic suggestion of fecundity, of suspense, of the slow titration of sexual puberty.

But elsewhere the film seems like the work of a movie-making exile on his best behaviour. It looks good, it tastes good, but there's precious little nourishment in it. The best that one can hope for from Polanski's *Tess* is that it will drive people to the bookshops to read or re-read Hardy's original, and to discover for themselves what a noble work is here o'erthrown, what a living flesh-and-blood heroine the movies have missed.

★

Popeye is also a missed opportunity: a case of near-perfect ingredients put together in the wrong mixing-bowl. No one could look more like Bluto than Paul L. Smith, a barrel-breasted hulk with fiery brow, black beard and ever-clenched fists: no one could sound more like Popeye than Robin Williams, burbling away his Malapropisms in a non-stop nasal undertone ("Don't trust these wimmink," he says when the characters are whisked improbably *through a house of ill-repute*: "You'll get a venerable disease"). And no one could look *and* sound more like Olive Oyl than Shelley Duvall, a rubberised beanpole with bun-haired head on periscope-like neck, stilt legs in size-20 clogs and a prodigious repertoire of 'Owwwws' and 'Hmmmms' and *'Owh Pop-eyes!'*

But screenwriter Jules Feiffer and director Robert Altman haven't connected these come-to-life cartoon creations with a come-to-life plotline. Washed to shore in the tumbledown harbour of Sweethaven — he is roaming the globe looking for his long-lost Pappy — Popeye *romances* Olive Oyl, his landlady's daughter, spars with the town bully Bluto, adopts the lost 'orphink' Sweetpea, and finally finds his father. But these ritualistic plot-strands — which devotees of the Popeye cartoons would expect and no doubt demand — are never pulled taut or electrified. When *not lost to view in an ill-timed* Bacchanalia of background gags, they carelessly tangle with each other or are pushed aside altogether by tuneless song-and-dance numbers (Music and lyrics by Harry Nilsson). This film badly needs a can of spinach to concentrate its forces: the potential is diversely there, all that's missing is the unifying spark.

★

Superman 2 does have the unifying spark. The original movie was stiffly spectacular and laden with all-star statutary. In this one Richard Lester, taking over the directorial cape from Richard Donner, opts for a *flightier, jokier rhythm but still* retains a linear comic-book excitement.

Ever since Pop Art canonised the crazy-inspired tensions of comic-strip—with its high-adventure hokum frozen in frames, its excalamation-point *eloquence etherised in speech* balloons—movies have moved in to popularise the nostalgia *for an empurpled iconic heroism* that spreads straight from the tableau. The chief marvel of Christopher Reeve's Superman is that he has a face that might have been etched by a comic-strip artist: the sleek black hair, the ready-to-furrow brow, the hawk-like thrust and strength of the feature. The second mar*vel is that Reeve can also spoof* himself with casual virtuosity, flexing a wondrous array of diffident tropes and twitches as bespectacled Clark Kent.

In *Superman 2* he needs to, for he loses his Krypton-given super-strength early on— abdicating them for love of Lois Lane—and with only Clark *Kent to protect a threatened* world, the world understandably panics. U.S. President E. G. Marshall barks anxiously down the White House telephones, assailed by the twin threat of of Gene Hackman's Lex Luthor *(sprung from goal)* and the out-and-about trio of Kryptonite exiles led by Terence Stamp *whom you thought you saw the* last of in *Superman 1*. Can Superman regain his lost powers and save the world?

Lester on form is the Fred Astaire of comic film-makers: winging through narratives with *a weightless*, off-hand grace that is a lessen to the dinosaur flatties who made *Popeye*. He sprinkles the *spectacle with* feather-light throwaway gags, and he makes *Superman 2's* climatic dust-up between the Goodies and the Baddies in— and above—Metropolis not a thick-eared Golgotha of slapstick *1941-style but a ballet* of funny, surreal action. (Look at the cars twirling along the street like *sagebrush* under *the power of* Stamp and Co's "super-breath"). *Superman 2* is a more-than-worthy heir to *Superman 1* and should be the best of fathers to *Superman 3*.

★ ★ ★

Rock Show is the film record of Paul McCartney and Wings playing to a packed and wild hecatomb of fans in a Seattle concert. There's a spectacular smoke-and-laser show to accom*pany* "Live and Let Die," there's Linda McCartney doing her look-no-hands act at the synthesiser and for wizened ancients who remember the hey-day of the Beatles there is the pleasure of Paul McCartney stepping down to front-of-stage with his guitar to sing a halcyon solo of "Yesterday."

Leigh Lawson and Nastassia Kinski in Tess

Royal Court

The Seagull by B. A. YOUNG

It is best, if possible, to put Chekhov right out of the mind when seeing this version of *The Seagull*, for Thomas Kilroy's adaptation has taken the action away from Russia and put it into County Galway. The period, late 19th century, stays the same, and so, fundamentally, does the plot. Arkadina, however, is now the successful English actress Isobel Desmond, widow of a Galway tradesman. Her brother Peter has a farm in Galway, run for him by his cousin Gregory; he and Isobel's son Constantine live there, and Isobel comes there for holidays in the summer. In this particular summer she has brought her current lover, the novelist Aston.

There's no doubt that the *story fits neatly into its new* frame, and Mr. Kilroy's dialogue runs very smoothly along the familiar lines without trying too hard to correspond exactly with the words we know when other words suit the situation better.

The sense of boredom in the first two acts is well established. No one but Constantine and the girl Lucy (née Nina) shows any kind of pleasure in anything. Constantine has become an enthusiast for the Celtic cult, and the play he offers to the family in the *moonlit garden, with its refer*ence to Irish legend, seems just the kind of thing a young enthusiast would indeed have thought up at that time. I wasn't wholly convinced that Constantine, as Anton Lesser plays him, was really quite devoted enough to overcome the mockery of his family and friends and become a writer *even as modestly successful as* he did. He seemed to me a pattern of superficial enthusiasms rather than genuine commitment; and in the last act he only destroys one single sheet of paper before going out to end the life he has found worthless.

His mother, though, in Anna Massey's slender but imperious persona, convinced me very well, though her affection for her son was hardly generous. Her affection for Aston, on the other hand, was ecstatic; when she has finished bandaging Con*stantine's head-wound and then* turns her attention to Aston (already plotting to seduce Lily), she embraces his legs so passionately that he trips over her and they finish their embrace on the floor.

I couldn't understand how anyone could fall in love with Aston as Alan Rickman plays him. He is as passionless as a fish, even when he is making love. When he comes on and finds a dead seagull lying on the garden bench, he pushes it to one side without any curiosity about its origin. Later, he brings himself to ask "What *is* that?" with about as much interest as he would show in an ant. Yet when Lily says to him "I know all the secrets of the lake," he whips out his ever-ready notebook and makes a note of it. I thought the per*formance extremely interesting* and well done, but unlike any idea I ever had of Trigorin, his godfather.

Lily is a big strapping girl, Harriet Walter, who projects her emotions in terms of girlish naivety, both in their early happy state or their final disillusion. Mary, the other *lovelorn member of the family* (she is now the daughter of Gregory, not of the doctor), was born a century too soon: Veronica Duffy's image belongs squarely to the age we live in, with her inelegant vices and her *flatly-expressed affections*. T. P. McKenna as the doctor is too well-bred a man to have an illegitimate daughter, more well-bred, more smartly turned-out, than I would have thought a GP in an Irish country district *would be. But he gives a good* performance, though I thought he betrayed too much excitement when he told Aston that Constantine had shot himself.

Max Stafford-Clark is the director, and the admirable décor is by Gemma Jackson.

Festival Hall

Ligeti by DAVID MURRAY

Gyorgy Ligeti's opera *Le Grand Macabre* is promised for December next year by the English National Opera, *which* has also commissioned a new opera from him. On Wednesday the BBC Symphony gave us what Ligeti calls Scenes and Interludes from the first opera: much more than a trailer, not exactly a suite, it comprises the prelude and first scene, most of the conclusion and a few other *impacted fragments*.

Two staged versions of *Le Grand Macabre* have already been discussed at length on this page (there have been three other productions). The Scenes and Interludes employed the original conductor, Elgar Howarth, a tenor and bass — Roderic Keating and Dieter Weller — *experienced in their* roles on the Continent, and a new pair of moonily enraptured lovers, Alison Hargan and Cynthia Buchan.

The performance has an air of impeccable conviction, even without the support of stage goings-on. No mean feat, for *most of the music is unbreak*ably attached to the surrealist action: the concert sequence isn't a matter of self-contained musical numbers like Berg's operatic suites. It conjures up a sort of abstract opera, rather in the vein of the *Aventures* and *Nouvelles Aventures* Ligeti composed in the 1960s. There *are delectable* preludes *for a* dozen motor horns, and the hyper-Straussian carolling of the lovers, and backchat between the visiting Death-figure and the drunken clown he enlists as servant, and Apocalyptic tremors.

It is authentic funny music, a continuous joking with sounds; the inventive powers of any stage producer who aims *to match it must be consider*able. There is an informal tradition of such stuff which includes the Goons, as well as Spike Jones and his City Slickers. Ligeti has turned it into an art: he boasts not only the wild range of aural fantasy, but the technical know-how for making it practicable to execute. He *does* not rely over-much on special instruments—his most dazzling flights are scored for quite ordinary ones, and not lavishly (the Scenes and Interludes orchestra is almost denuded of upper strings). Besides the mordant wit there is a vein of un*regenerate tenderness: the Sad* sung "passacaglia," evasively tonal, is a lovely example.

Sadler's Wells

Five choreographers by CLEMENT CRISP

If the Royal Ballet's jubilee celebrations bring anything more worth cheering than the programme of new ballets by five young company choreographers which I *saw on* Wednesday evening, proverbial hats should be eaten. Not that everything was sweetness, light and unabashed genius; but the fact that there were five young creators, that both sections of the Royal Ballet were involved, and that each choreographer had something worth saying, is *cause for rejoicing*; *and bright* hope for the future.

If the evening had a dedicatee, it *should* be Leslie Edwardes, whose choreographic workshop performances have nurtured these talents; a national company is only as good as its next generation, and what we saw was—I devoutly hope—the *creative identity* of the Royal Ballet into the 21st century.

Two of the ballets came from talents already accepted and established: David Bintley and Michael Corder. Bintley's new *Night Moves* has as its programme note bleak lines by Anna Akhmatova suggesting isolation and hopelessness. Fine design by Terry Bartlett shows *six white-clad couples against* a ruined, peeling colonnade, topped by mysterious pendant *arms pointing* at stars. Trails of barbed wire indicate a community forcibly enclosed, but Bintley's dances seem more an illustration—and very ingenious at that—of Britten's *Variations on a Theme* of *Frank Bridge* than a commentary upon an imprisoned society.

The dances are by turns lyric, eccentric, grief-struck, joyous. What grips the imagination is Bintley's prodigality in invention; equally gripping his theatrical sense, which gives what seem the arbitrary changes of mood dictated by the score a dream-like poetry. *Night Mones* is a ballet whose atmosphere is hard to define, but none the less potent. It is danced with entire skill by a cast led by Marion Tait and David Ashmole.

Michael Corder's *Three Pictures* are incidents entitled *Mourning, Journey, Celebration*. *Lolanda Sonnabend* has provided two standing structures, wonderfully imaginative, that seem vast, blanched, dead leaves left on metallic branches. In the first scene they *set off* the darkly grieving activities that attend the rites surrounding a corpse; in the second they are a doorway through which the dead pass to a new life; in the third they become the portals of another world.

Corder has chosen as score two movements from Bartók's first orchestral suite, which support the sorrowing movements he has devised for the first scene and the serener style he adopts for the journey beyond death. The choreography in these sections is sure, the progress of the action convincing. But for his finale, Corder has opted for the folk-based ebullience of the first of Bartók's two pictures for orchestra, and he is trapped by the music into *peasant jovialities which seem* entirely at odds with what has gone before. This finale seems part of another, and inferior, ballet.

The rest of the programme brought a touching, and touchingly danced, *duet by Jennifer* Jackson for Briony Brind and Michael Batchelor. Two beautiful bodies were caught up in a movement from Frank Bridge's *piano quintet*, *and* Miss Jackson controlled the abundant emotionalism of her score with fine-drawn and secure choreography. She must now make much more choreography, for she has a gift for movement.

So has Derek Deane, whose quartet *To the Power of Two* was a *well-crafted double duet* for Leslie Collier and Stephen Jefferies, Jennifer Penney and Stephen Beagley, which showed unison partnering moving in and out of "sync" to allow eddies of emotion to ruffle the elegant surface of the dances.

And so has Jonathan Burrows, whose *Catch* misfired, because too cerebral in construction and too timid in energy, but whose solo *With a Gaping, Wide-mouthed Waddling Frog* I admired greatly at Riverside Studios a few months ago, and admire still in an expanded version. A folk-dance manner, vivid gesture, are the matter of this original and excellently *judged display which speaks of* real talent. But so does the entire evening.

Redgrave Theatre, Farnham

Cavalcade by ROSALIND CARNE

Noël Coward's *patriotic epic* was greeted with wild enthusiasm in the original Drury Lane production of 1931. With a cast of over 100, it ran for a year to packed houses. Then silence in the theatre for 50 years.

David Horlock's *bold revival* uses 11 professionals and over 300 amateur players. Judiciously economical, but never, *shabby* staging on two levels, sepia-tinted back projection and a *surprisingly unobtrusive* on-stage pianist, provide the physical framework for such *technical challenges* as the sinking of the Titanic and Queen Victoria's funeral. A 30 year time span ranges from the Boer War to the Depression, the sad fortunes of two families linking the string of events. Upstairs are the Marryots, downstairs, the Bridges, with Jane Marryot, the mother (Carol Drinkwater) as dramatic centre of consciousness.

When the author read the first night reviews, he commented "The only thing that escaped *notice in the uproar* was the fact that *Cavalcade*, apart from its appeal as a spectacle, actually possesses two or three well written scenes. "Careful pacing and disciplined direction in the Farnham production has ensured we do not lose sight of the intimate personal crises within this cataclysmic world. "We've had wars before without the world breaking up," Robert Marryot (Granville Saxton) tells his wife. "My world isn't very big," she replies. Through all the rampant jingoism on the eve of the First World War, we feel for her.

As in most modern productions of Coward, the upstairs set are more credible than the downstairs, with Jonathan Darvill particularly compelling as young Joe Marryot. But the stars of the show for Farnham's audience are the 300 local extras in their homemade costumes (very good too), swarming down from every corner for the crowd scenes.

One thing jars, however. Coward's original closes in confusion after a nightclub scene where the stark modernist strains of *Twentieth Century Blues* are a harsh contrast to the warming nostalgia of the earlier songs. Horlock has decided to transpose the last two scenes, thereby ending on a note of undeserved hope.

His nightclub scene becomes ludicrously manic, black-clad dancers gyrating wildly and *awkwardly in monstrous masks*, the back projection reaching an unexpected level of horror. Fade out to the Marryot's flat, New Year's Eve 1930, where Jane proposes a toast to the future of England and the "spirit of gallantry and courage that made a strange heaven out of an unbelievable hell. . . ." As they lift their glasses to drink we are offered a splendid rendering of *Land of Hope and Glory* (not included in the original Coward) by Carolyn Allen. Her powerful voice, here and in other parts, is one of the delights of the evening. Nevertheless, in view of the delicacy of some of the earlier sentiments, the personal *ironies and* tragedies, the mood of the preceding scene and the sheer *ghastliness of these world* events, such supposedly heart-stirring patriotism in the final moments goes beyond what even Coward intended.

THE PROPERTY MARKET BY MICHAEL CASSELL

Tax breakthrough on interest payments

PROPERTY COMPANIES have achieved an important breakthrough over the tax treatment of interest payments on development borrowings. Under new rules proposed in the Finance Bill, property companies will no longer have to show interest payments in profit and loss accounts in order to qualify for tax relief.

The changes follow an investigation by the Inland Revenue and should bring to an end a series of complex accounting procedures devised by property companies to enable them to qualify for tax relief without damaging annual profits.

At the centre of the debate has been the property industry's argument that such interest payments are an integral part of development costs and should not be charged against profits but included in the capital account to be written off.

Under the new rules, property companies will be eligible for tax relief on capitalised interest payments and will not have to resort to "gymnastic accounting exercises" whereby interest payments have appeared only briefly in revenue accounts before their impact on distributable profits is blunted — often by a transfer from capital reserves of a sum equivalent to the amount of interest paid, less the tax relief received.

The changes follow talks last year between the Inland Revenue and the British Property Federation. The industry then expressed concern that new legislation would have prevented companies from transferring sums from capital reserves to offset development interest costs in the revenue account.

The Federation's concern arose over the inclusion of clauses 39 and 40 in the 1980 Companies Act—designed to harmonise U.K. company law with EEC regulations—which prohibits companies from using capital reserves as distributable profits.

This potential threat to property company profits has been effectively removed as companies wil no longer have to show development interest payments in revenue accounts in order to qualify for tax relief, thus removing the need for transfers from capital reserves and other such schemes.

The present rules insisting that relief will be paid only on revenue items was introduced in the mid-1960s at the time of the celebrated Chancery Lane court action. The regulations were designed, says the Federation, to prevent companies obtaining "double" relief on interest payments.

Andrew Taylor

£67m handed over to BR

THE MEN from British Rail Property Board this week staged an admirable demonstration of the art of smiling through clenched teeth.

For while they were able to look back with understandable pride on an excellent year — and even throw in news of the long-awaited redevelopment go-ahead at London's Liverpool Street Station — they were clearly less than euphoric about some of the reasons for their recent "success."

True, the Propery Board had managed in 1980 to hand over no less than £67m in cash to help slake the insatiable thirst of British Rail, a rise of £28m on the previous year. But did their masters not appreciate the consequences of selling off the seed-corn?

To meet the cash contribution target set by British Rail, the Property Board — which can retain little profit for itself — has been forced to dispose of interests in an increasing volume of property which would not otherwise have been sold.

Sir Robert Lawrence, chairman of the Board, said 1980 ended on a high note as far as the results were concerned but went on to emphasise that, once land or property was sold, income and potential income were lost for ever.

With a suitable touch of diplomacy he added: "We do point out the consequences of such a sales programme and some of our recent disposals have brought tears to our eyes. But our first obligation is to meet the requirements of British Rail, which is subjected to enormous cash flow pressures."

The roll of reluctant sales is a long one and includes a large warehouse and factory complex at Cricklewood, North London, where substantial revenue growth has been surrendered, a retail scheme in Hove, Sussex, and another shopping centre at Clifton, Bristol.

Of the future, Sir Robert went on: "The pressures on the Railways Board for cash are considerable and are likely to remain so for the foreseeable future, although we do not see it as part of our policy to sell at any price." The reality is, however, that another—albeit lower—cash target has been set by BR for the current year and the Property Board will have to meet it. More sales are therefore inevitable, although they should mostly involve smaller packages.

As for land, the Board managed to dispose of no fewer than 3,482 acres during 1980 against 2,664 in the previous year. With 4,355 acres of unused land still held—1,500 acres of it effectively useless—the recent rate of depletion is clearly not sustainable. As Sir Robert observed: "We are getting down to the difficult land stock. For example we have a 100-acre site at Nottingham but there are access and ground problems which make disposal far from easy."

The heightened sales activity in 1980—involving both land and sales of properties developed by third parties under ground lease arrangements with the Board—produced £40m gross compared with only £14m in 1979. In spite of the sales programme, income from lettings rose to £50m (including £1m generated from the property of other BR subsidiaries) and the net surplus ran out at £35m.

The division is currently confronting something of an uncertain future, given proposed legislation now before Parliament to inject private capital into the railways industry. In preparation, British Rail Investments—a new BR holding company—has already been established and it is expected that a new property subsidiary will be set up to control the railways' non-operational property portfolio, valued at about £200m.

The Property Board, which has one member on the new holding company's board, expects to act as managing agents, undertaking lease and leaseback deals for developments on non-operational sites. Lease and leaseback deals—in which the Property Board leases land at a peppercorn rent to a developer and on completion of the scheme either occupies the space or finds a tenant and shares the revenue—have not been allowed under recent legislation, but the option should once again become available under the privatisation plan.

Trafalgar gets 'yes'

TRAFALGAR HOUSE has won planning permission, at the second attempt, for the major office development proposed on the site of the former Evening Standard works in Shoe Lane, in the City of London.

The City Corporation, which rejected the group's original plans, has now given the go-ahead for a revised scheme and Trafalgar House said yesterday that it hopes construction work will start shortly.

The scheme provides for around 190,000 sq ft net of office space—similar in size to the original proposals—but plans have been amended to take account of the City Corporation's objections that the first plans would have blocked light from surrounding buildings.

The site, which lies behind the Fleet Street offices of Express Newspapers, part of the Trafalgar Group, has already been cleared and construction could take two years to complete. Trafalgar has not yet decided how the development will be funded.

Meanwhile, Watkins Grey Wilkinson Associates the architects commissioned by the owners of the Daily and Sunday Telegraph, are understood to have begun informal discussions with the City Corporation over the possible office redevelopment of the printing works behind the existing Telegraph office in Fleet Street. This would follow the planned move of the Telegraph printing works to docklands.

Haslemere office plan

HASLEMERE ESTATES is joining forces with Refuge Assurance and British Rail Property Board to redevelop Wallington station in Surrey.

The £8m scheme will be handled by Lister, Drew & Associates, architects, and will eventually mean a new commercial precinct around the station. The first 55-week phase will involve a 46,000 sq ft, six-storey office block and further stages will provide an additional 36,000 sq ft of office space and the complete reconstruction of the station.

● Commercial Union Assurance has paid £1.25m for the 45,000 sq ft Dodge City DIY and garden superstore now being built at Hadfield Road in Cardiff. The freehold 3.6 acre site was acquired in 1979 on behalf of F. R. Northcott by Weatherall Hollis & Gale and the company has now taken a 25-year lease at a starting rent of £94,000 a year with five year reviews.

● Rank Xerox Pensions, represented by Richard Ellis, have paid £1.5m—showing a yield of 3.85 per cent — for a freehold retail investment at High Street, Slough. The vendor, W.H. Smith, represented by Edward Erdman, has leased back the retail space at an initial rent of £60,000 a year and have assigned the lease to Cass Arts. The property has 6,000 sq ft of floorspace with a 36ft frontage.

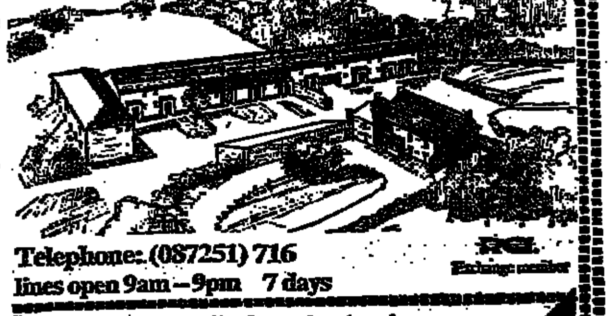
● Pension Fund Property Unit Trust has paid £750,000, giving an equated yield of about 4 per cent, for a prime shop unit at High Street, Southend, Essex. Current rent is £26,250 a year with upward only reviews every five years and the main tenant is Reed Employment.

● New Court Property Fund—N. M. Rothschild's property unit trust for taxed exempt pension funds and charities—has paid over £410,000 for a 15,000 sq ft freehold warehouse investment at Longbarn Lane, Warrington. Strutt and Parker acted for New Court in the purchase from Clarke St. Modwen Properties, which was represented by Molyneix Rose.

● Richard Annersley and Christopher Wakefield, former directors of English Property Corporation, have formed Annesley Wakefield, which is to develop and invest in property. The new company is based in Wigmore Street, W1.

● Abenglen Properties, which last year brought a freehold site on the corner of York Street and Cornwall Road, Twickenham, has arranged a forward sale of the 7,000 sq ft office building to be built on the site to Norsk Hydro. The new owner, represented by Richard Ellis, paid £1.24m and is putting up development finance. Pepper Angliss and Yarwood acted for Abenglen.

● Taylor Woodrow Developments has sold the freehold of two shops at 15 and 15a Courtenay Street, Newton Abbot, to a local authority pension fund for around £650,000.



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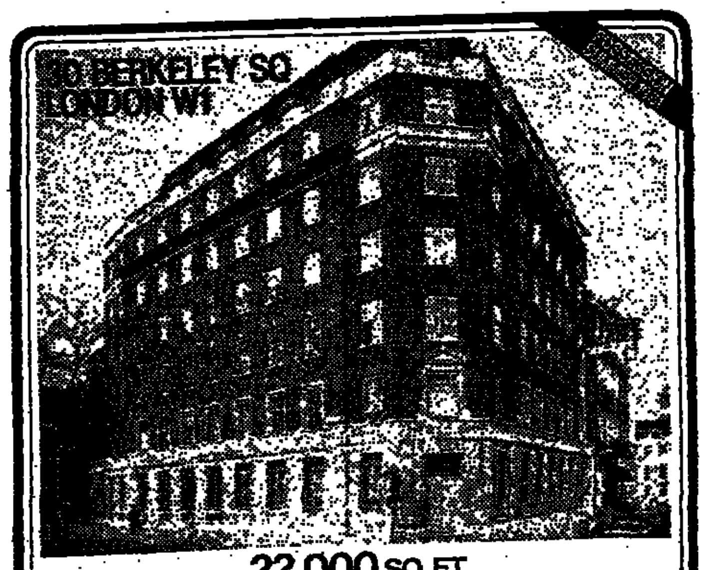

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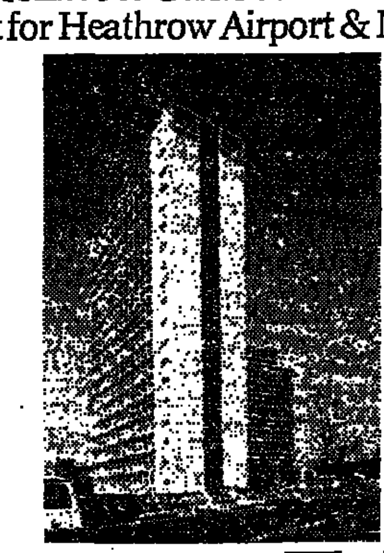

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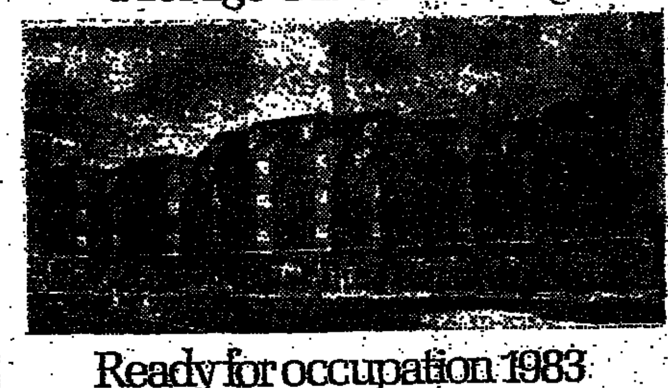

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Friday April 10 1981

Britain on the sidelines

WINDOW DRESSING of the most obvious kind should not be allowed to disguise the fact that the joint borrowings planned on international capital markets by France and West Germany mark a new phase in their co-operation against economic recession and difficulties with their external payments.

As so often. it is easier to define what the loans and the associated spending programmes are not, than to pin down precisely what they are. First and foremost, there is no breakthrough for the European Currency Unit as a surrogate currency. The Germans will do their borrowing in promissory notes denominated in D-marks: the French have left open precisely how they will proceed, but for reasons of prestige will want to borrow in francs, unless market recommendations point to something else. That something else is most unlikely to be the ECU.

Economic plan

Nor has there been a sudden and sweeping change of course on the part of the makers of economic policy in Bonn and Paris. The spending programmes announced yesterday are a relatively modest boost for investment. The FFr 6.6bn (about £596m) which President Valery Giscard d'Estaing proposes to release from funds set aside for stimulatory measures has to be set along side a Gross Domestic Product (in 1979) in excess of FFr 2,430bn. The Germans have not yet put a figure on their spending programmes. But their share in the proposed borrowings amounts to less than half of one per cent of GNP.

There is nothing new, either, about France or West Germany going to the capital markets to bridge their heavy current account deficits. Though the German capital balance only showed a relatively modest surplus in 1980, foreign borrowing by central and state Governments in 1980 came to DM 23bn (about £4.9bn at the present exchange rate). France, too, borrowed internationally through the agency of public bodies, such as the utilities, to bridge a current account deficit.

The need to do so will remain strong throughout this year. The French current account deficit of FFr 31bn in 1980 is unlikely to improve greatly this year, nor is the German current account deficit of DM 28bn.

Recent increases in West German interest rates should encourage larger net inflows of capital on private account. But a large gap is sure to remain which will have to be bridged by drawing upon reserves or by balance-of-payments orientated borrowings such as the proposed French and German loans. By the side of likely needs the borrowing of the equivalent of ECU 2.5bn (about £1.4bn) by each of the two countries is significant, but not overwhelming.

All that having been said, the event is more than a case of two heads of Government in varying degrees of political trouble putting on a show to persuade the public that they are doing something against unemployment.

For instance, the announced intention to co-ordinate the proposed borrowings implies that the two countries will try to prevent potential lenders from playing them off against each other.

More important, the decision in Bonn and Paris not to launch generalised expansionary programmes, but to concentrate on specialised areas such as energy-saving devices, implies a wish not to let economic policies get too far out of step.

EMS prospects

As it is, differential inflation rates make the prospect of a more closely-knit European Monetary System look distant. In Munich yesterday, Herr Karl Otto Poehl, president of the Bundesbank, said that there was no prospect in the foreseeable future of a further institutional development of the

Although there is an element of public relations in the German and French move, the event none the less gives food for thought about the position of Britain in the Community. Putting it at its lowest: as things stand, does anyone expect the President or Chancellor to go out of his way one day to help a British Prime Minister with electoral or similar problems?

The best way for Britain to be admitted to the club would be to get the British economy in order at last. The packages proposed by M. Giscard d'Estaing and Herr Schmidt may even contain a few hints about how to do so.

Wider choice for the viewer

THE CONFUSION over Trident TV's franchise to provide commercial television in North-East England illustrates some of the absurdities inherent in Britain's present system of regulating local television monopolies. More importantly, it underlines the fact that monopolies, particularly those imposed by governments in conflict with market and technological pressures, tend to generate administrative absurdities.

When the Independent Broadcasting Authority decided last December to renew 15 commercial television franchises, to reject two existing contractors and to require Trident TV, a group which owned both Yorkshire and Tyne-Tees Television, to divest itself of these two companies, there was no detailed public justification for any of these decisions. The criteria for these decisions appeared to be picked arbitrarily by the individuals who happen to have been appointed to the IBA by successive Home Secretaries. Such criteria as were made public, most importantly the need for more regionalism—or parochialism—in the ownership of television companies, did nothing to inspire confidence in the IBA's judgment.

Uncomfortable

In the past few weeks, what was arguably the IBA's most bizzarre decision has come home to roost, in that Trident has found it very difficult to sell off controlling shareholdings in its two subsidiaries to local financial interests in accordance with the IBA's instructions. Yesterday, the IBA had to make a judgment on the "final" scheme proposed by Trident and its merchant bankers. With only nine months to go before the new franchising period begins, there is little time for new applicants to prepare themselves if the IBA disapproves of the proposed reconstruction. Thus, the IBA's position is distinctly awkward.

The underlying reasons for the confusion are even more uncomfortable. It is disturbing that the interests of hundreds of television employees, thousands of shareholders and millions of viewers, should depend on the IBA's judgements, unguided by any clear and publicly debated criteria. It is strange that the IBA's members should attach apparently greater significance to the residence of a company's shareholders than to its broadcasting record. And it is naive of the IBA to identify the "regionalism" of shareholders with the "regionalism" of programming, even if this quality is deemed to be desirable.

However, the individuals who sit on the IBA should not be blamed for the IBA's less than perfect performance. Its very function in the present structure of British broadcasting puts the IBA in an impossible position. For it exists to dispense the privilege of monopoly over a valuable and inherently controversial product-commercial broadcasting. There will always be dissatisfaction with the way it chooses to distribute its largesse, both from the viewing public and from the many potential broadcasters whom the monopoly excludes.

The fundamental question, therefore, is whether the monopoly structure of commercial broadcasting is either necessary or desirable. Those who argue for more open competition have to acknowledge the fact that the ITV monopolies have, for most of the past 25 years, served the country rather well. Commercial television in Britain is still widely regarded as producing higher quality programmes than the main television networks in the world's most competitive market, the U.S.

Technological

However, the gap in quality between British and American television seems to be closing, as the standards of both the BBC and of ITV decline.

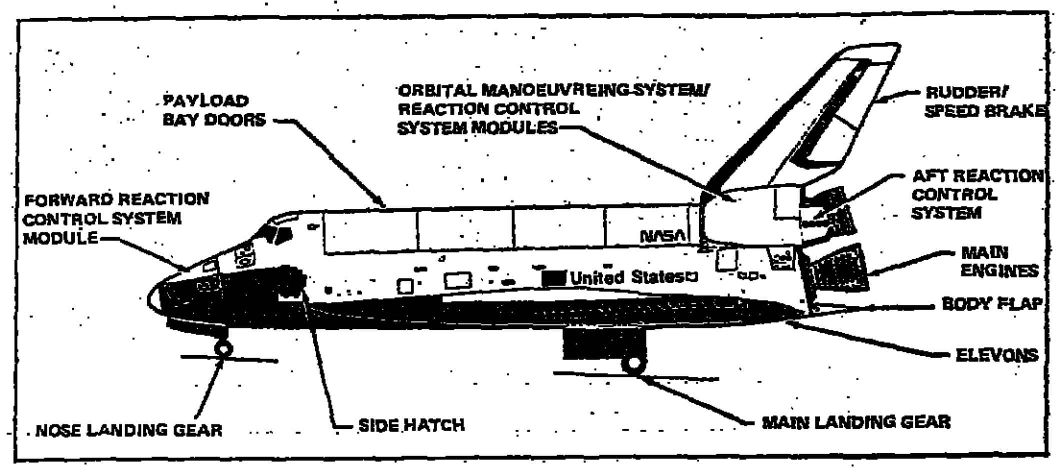
Most importantly, technological change is overturning many of the traditional objections to broadcasting competition. The shortage of broadcasting frequencies, the impossibility of testing consumer demand by making customers pay for the programmes they watch, the difficulty of catering for minority audiences—all these are due to be overtaken by the spread of cable and satellite broadcasting.

Only by trying to accelerate, rather than retard, the adoption of these new technologies and the development of competition, will the Government and the IBA be able to solve the fundamental problems which an outdated attitude to broadcasting monopoly must inevitably pose.

SPACE SHUTTLE

Blasting off into a new decade of space research

By Michael Donne, Aerospace Correspondent



TODAY'S PLANNED launch of Columbia, the first manned space Shuttle, is *the culmination of a decade of* research and $9.6bn of development effort. On it will ride U.S. hopes of opening a new era of commercial, scientific and military research and development in space.

The concept is a bold one. The Shuttle is without question the most complex piece of equipment to be sent into space, but it is still only at the beginning of its development life. The National Aeronautics and Space Administration (NASA), which has nursed the Shuttle through many financial, political and technological barriers over the past decade, is not prepared to guess at the long term implications and the opportunities the Shuttle will open up.

The Shuttle is the name given to the overall Manned Reusable Space Transportation System. Its basic component is the Orbiter, a vehicle which looks like an aircraft. It is about the size of a DC-9 jet transport, at 122.2 ft long and with a wing span of 78 ft. Its cargo bay is 60 ft long and 15 ft in diameter and is capable of carrying payloads of up to 65,000 lbs.

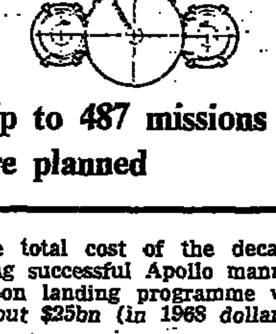
The Orbiter Columbia, carrying astronauts John W. Young, the commander, and Robert L. Crippen, will be launched from the Kennedy Space Centre, Florida, with the aid of two huge Solid Rocket Boosters taking it on an experimental mission. It will land like an aircraft 54 hours later at Edwards Air Force Base in California.

Fuel for the Orbiter's three engines will be supplied by a vast External Tank, on which it will ride almost to the point of orbit in piggy-back fashion. The two Solid Rocket Boosters will have done their job after only two minutes after launch when they will be jettisoned into the Atlantic Ocean for recovery and re-use.

The Orbiter's External Tank will be shed into the Indian Ocean after about 8½ minutes of flight. It is the only part of the entire system which will not be recovered.

The astonishing size of the whole system can be gauged from the fact that all three items together—Orbiter, Solid Rocket Boosters and External Tank—will require 6,425,000 lbs of thrust to get off the launch pad. By comparison, a fully laden four-engined Boeing 747 Jumbo jet taking off for a long-distance flight generates only 200,000 lbs of thrust.

By 1985, when the Shuttle is expected to be working smoothly and regularly (if all goes well not only today, but also in the three subsequent test flights planned before the end of 1982), the total cost will have risen to about $14bn (in 1980 dollars). By comparison,



Up to 487 missions are planned

the total cost of the decade-long successful Apollo manned moon landing programme was about $25bn (in 1968 dollars).

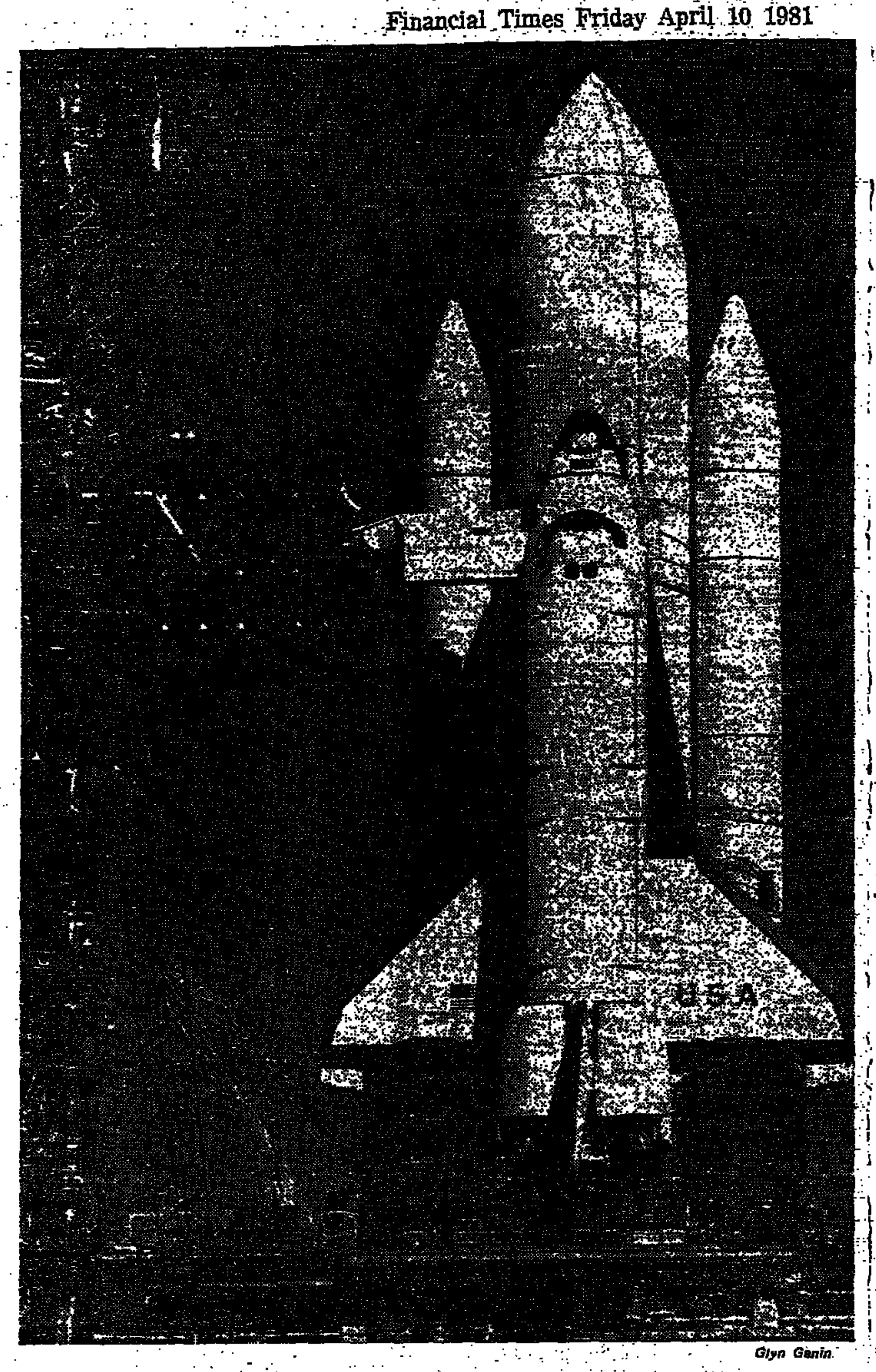
The Columbia is the first of a planned series of four Orbiters—with the possibility of a fifth. The objective is to have enough of them to enable space missions to be undertaken at the rate of one a week—from either the Kennedy Space Centre or Vandenberg Air Force Base in California. Up to 487 missions are planned between today and the end of the decade. Each Orbiter vehicle is intended to be used up to 100 times.

The cost of a "full use" mission (total use by one customer for anything up to a week) will be as much as $35m. But it will be possible for commercial and academic users to *put small packaged experiments* aboard Orbiter vehicles for as little as $10,000 each. These are known as "Getaway Specials" which are designed to enable the Orbiter to act as a container vehicle carrying a wide variety of small experiments. More than 300 packages have been sold so far.

The anticipated commercial uses of the Shuttle extend from putting communications and "remote-sensing" satellites into space, to more complex analyses of the possibilities of undertaking direct manufacturing in the weightless and pure environment of space. "Remote sensing" is the use of satellites to provide detailed photographic and other information of what is happening on Earth's surface, from measuring fish shoals and pollution on land and sea through to surveys for the detection of minerals such as oil.

More and more "remote sensing" satellites are planned in the 1980s, throughout the world. It is estimated that by 1985, several billion separate "bits" of information about what is happening on Earth will be flowing back from near space.

In straight manufacturing terms, it is thought that welding techniques could be substantially improved in space. It may become possible eventually to erect vast manned or unmanned space-stations for further space research, or for the collection of solar energy for onward transmission to Earth. Also it could become possible to undertake the commercial production in space of high-quality materials such as ceramics, glass and new alloys.



Glyn Genin

But until somebody experiments with these ideas, no one will know whether they are possible, or what more has to be done. This is what the Shuttle is intended to do, and why space on many of the 44 or so missions planned up to the end of 1985 has already been booked.

Among the many organisations which have booked space on early Shuttle missions are the European Space Agency, the Department of Defence and the National Oceanographic and Atmospheric Organisation. Satellites due to be orbited via the Shuttle include communications craft for Saudi Arabia (Arabsat), Australia, West Germany, India, Indonesia and Canada. Companies which have booked space include Hughes (probably the biggest satellite builder in the world) and American Telephone & Telegraph.

So far, however, the companies which have booked space are either directly involved in space affairs (through the aerospace or communications industries) or are associated with it, for example electronics companies, such as RCA. The number of non-aerospace orientated companies interested has been comparatively small; and the NASA sees it as one of the Shuttle's main tasks to convince those companies that space can be cheap and profitable to use.

The second main use for the Shuttle is academic. The more that mankind can learn about his near-Earth environment, the better able he will be to use it for his own advancement. Thus, many of the payloads already booked cover scientific experiments for leading U.S. and European universities and other organisations, and it is primarily for the smaller, less wealthy academic institutions that the cheap $3,000-$10,000 "Getaway Special" package has been designed. These experiments will be put into the payload-pallet of the manned "Spacelab" (that has been designed and built in Europe to fit into the cargo bay of the Orbiter), so that a wide variety of experiments can be taken into space on any single mission.

These smaller packages must weigh individually less than 200 lbs and take up less than five cubic feet of space. The cost of up to $10,000 will be fixed for three years, and a guarantee of a "re-flight" will be given in the event of a mission failure.

The third, and much less clearly defined, role for the Shuttle is military. Of the first 44 missions, up to the end of September 1985, no less than nine will be fully taken up by the U.S. Department of Defence, mostly for the U.S. Air Force.

While little has been said about these payloads, it is likely that they will include not only a new series of advanced communications satellites, but also probably a series of "hunter-killer" satellites, to probe the possibilities of detecting and then immobilising or even destroying, in space any enemy satellites that might be carrying weapons of some kind.

At the lowest level of military use, the Shuttle could be used to jam enemy satellite transmissions, while at the most war-like level it could be used to carry weapons itself. Although weapons of mass destruction are banned in space by UN action of 1961, the Shuttle could still carry limited laser-type weapons to destroy enemy satellites. Such a capability must be of prime significance to the U.S. and the Western Alliance as a whole.

MEN AND MATTERS

Guy forks out for Keyser

Guy Naggar made it all sound really rather easy. Just turned 40, 15 years at Keyser Ullmann during which he had risen to become deputy chief executive and a director of its new parent, Charterhouse Japhet, and he was feeling in need of a little more independence. So, with a bit of help from RIT, Canada's Belzberg brothers, and his family, he bought his own international bank.

The £10m deal brings Naggar's caster company, Holding Financier, lock-stock-and-barrel ownership of two KU subsidiaries, Keyser Ullmann en Suisse in Geneva, Banque Keyser Ullmann France in Paris, and, as his dowry from RIT, the licensed-deposit-taking activities of Dawnay Day.

The Swiss-registered Holding Financier begins life with 60 people in Geneva, 15 in France, and what is effectively a start-up in London. Naggar's only fellow-traveller from Keyser will be his secretary.

The buy-out negotiations were wholly amicable, says Naggar. They began two to three months ago, which happened to be a time when a couple of senior defections from the newly combined Charterhouse/KU entity suggested that a few wrinkles might be showing in the merger. It was not, said Naggar, any friction with the new owners which led to his departure. But the merger provided, if not a reason for the buy-out, then at least an opportunity. Naggar's work at Keyser had been primarily on establishing the Swiss banking arm. He had kept that ticking over smoothly while the London bank was somewhat distressed by the mid-70's banking crisis. With KU happily established in its new niche came the time to slip the yoke without any qualms.

Of the £10m purchase price, RIT is putting up 35 per cent, to be matched by Naggar's personal and family interests. He is predictably bullish about the association with Jacob Rothschild—"whom I have known for a number of years, I think very highly of his vast creative flair."

Naggar, of Italian nationality, was born and educated in France. His father was a stockbroker in Paris, his wife is the daughter of Land Securities property magnate Lord Samuel. And there is a strong continental influence, recognisably that of André Meyer, on his plans for Holdings Financier. It will be, he says, a small unit specialising in "financial engineering"—corporate finance, and money management for a smaller number of large clients with, he promises, an eye for the type of management buy-out which he has himself so successfully accomplished.

Future shock

Joseph Granville, the share tipster who on January 7 knocked 23.8 points off the Dow Jones Industrial Average and precipitated the busiest trading day in the history of Wall Street, has come up with a disturbing prediction for residents of Los Angeles.

In Covina, on the west side of the urban sprawl, at 5.07 am local time today, there will be a "major earthquake," says Granville. Although besieged by anxious callers, he declines to discuss the background to his prediction. His aides are, however, quick to point out that while the stock market is Granville's professional territory, quake-napping is "only a hobby."

The chances of Granville's getting it right, I am reassured, are several trillion to one. But he is not without supporters for his general thesis. Scientists in the California earthquake zone have been saying for several months that, statistically, the area is due for a major quake in the next decade. Few, however, agree with his precise contention that a recent spate of minor earth movements presage an imminent catastrophe.

The last major quake was in 1906, when most of San Francisco diasappeared beneath the rubble.

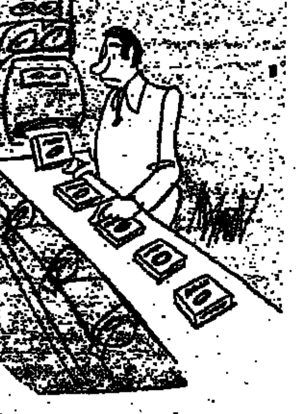
Granville himself will be breakfasting in his Florida home at zero hour. After which, right or wrong, he will be taking a few days' rest from his hectic self-promotional showbiz tours.

Happy days

"Any offer made to the shareholders of C. T. Bowring and Co. Ltd. by whatever means, and on whatever terms, with a view to acquiring all the issued share capital of the company would be considered by me and my board as an unfriendly act. We are unanimous in our determination to resist any such offer by every means available to us . . ."

It is heartening to see that time has proved a great healer of the rifts between British insurance broker C. T. Bowring and America's Marsh and McLennan, which took it over last summer. The words quoted above are from a letter written in December, 1979, by Bowring chairman Peter Bowring to his Marsh opposite number John Regan. In this year's annual report, Bowring sounds a brighter note.

"I want to start my message to you this year by thanking each one of you most sincerely for your support and your past contribution, particularly in helping to bring about the merger with our new parent company, Marsh and McLennan, efficiently and smoothly . . . We are optimistic that we shall be able to improve our contribution to the very successful group to which we now belong . . ."



Fair deals

Tax havens are becoming a very acceptable face of capitalism nowadays, to judge from the "First International Tax Havens Fair" to be staged at a London hotel next month. A jolly and colourful leaflet promises that questions like "What is the right low (or zero) tax jurisdiction to match your needs and objectives" will be answered by representatives of a number of territories, "even if some of those are not necessarily on display." And for those a little nervous about revealing their inclinations, the organisers promise that names and addresses of all ticket-holders will be kept confidential.

Proof enough

Heard in a Southampton bar: "Of course drinking doesn't affect the memory, old boy—I can remember when Scotch was less than £2 a bottle."

Observer

POLITICS TODAY

Labour should not be written off . . . entirely

MR. TONY BENN'S decision to challenge Mr. Denis Healey for the deputy leadership of the Labour Party has been taken by the bulk of parliamentary members — including many on the *Left* — as a deliberate kick in the collective groin of a patient already suffering from a surfeit of pain.

Mr. Benn's move means that the party is now condemned to spend the next six months in internal argument just when it should have been trying to recover from the shock of having shed part of its social democrat wing. The battle will be *fought* in the constituencies and at the trade union conferences all summer long.

Other candidates will almost certainly came forward. Mr. Eric Heffer now has no time for Mr. *Benn and* is *virtually bound* to stand himself as the candidate of the of the legitimate, as opposed to the lunatic. *Left*. Mr. Peter Shore, on the Right, is unlikely to say anything very much in public for the time being, but is clearly considering his position.

Even on the *assumption* — still the most probable — that Mr. Benn is defeated and that Mr. Healey is confirmed in office, there is no guarantee that the fight will be over. There is nothing to stop Mr. Benn running again next year and the year after that. He and his supporters are likely to be a permanent sore in a party, the great majority of which is still striving for unity. The message from Mr. Benn is: "No compromises."

Given the other adverse circumstances — *such as Mr.* Michael Foot's performance as leader so far, the break-away of the *Social* Democrats *and* the constituency boundary changes that will favour the Conservatives, it *might* seem idle *even* to discuss whether Labour can present itself as a credible alternative government with a chance of winning the next general election. Yet there is one set of views among Labour MPs which is at least worthy of consideration.

The thesis goes broadly like *this, Mr. Benn's* action has immeasurably raised the stakes. It is aimed not just at Mr. Healey, but at the whole structure of authority in the party—at Mr. Foot as leader and at the trade union bosses, many of whom are horrified at what Mr. Benn has done. If he comes anywhere near succeeding, the *Labour Party as we have known* it—muddled, inefficient, but basically decent—will be finished. Therefore, this time at least, the leadership in Parliament and in the unions will have to stand up and fight.

Readers may be forgiven for thinking that they have heard that before, from Mr. Foot and from Mr. *James* Callaghan. Yet, for once, it could be true.

The next point in the argu*ment* is that *present* times are exceptional. The unions are unusually quiet because of the recession, but they will not continue that way indefinitely. Sooner or later, they will begin to reassert themselves and a political party will need to come to terms with them to establish if not a new social contract *(that term is now out) then* at least a social consensus. Labour has time to do this before the general election.

Present arguments about policy, the thesis continues, are in many ways largely irrelevant. The only policy statement that *matters* is the manifesto for the next election, and only in the light of the circumstances of the time will it be possible to establish that.

The Social Democrats are dismissed by what Mr. Foot cites as the Devonport example. *Plymouth Devonport* is the seat of Dr. David Owen, the former Labour Foreign Secretary who is now a member of the SDP. Dr. Owen won 16,545 votes last time against the Tory candidate's 15,544 and 2,360 for the Liberal. It is assumed that the entire Liberal vote goes to Dr. Owen, but that the Labour vote holds at around 12,000. The result is to let in the Tory, but not the Social Democrat.

Thus, politics revert basically to a two-horse race between Tories and Labour. Labour hopes rest on the economic climate continuing to be bleak, and growing disenchantment with the Tory Government.

No part of the thesis can be rejected entirely out of hand. On policy, for example, the biggest single issue which has divided the Labour Party over the years has been Europe. Yet the present Government will be *more than usually* incompetent if it does not find an acceptable way of living with the Community before the next election. Besides, if the Government does not come to terms with Europe, opposition to British membership could well be popular even among Conservative supporters.

Again, take arms control, *which is what Mr. Foot* ought to call nuclear disarmament. These matters are not wholly *in British hands, but it is far* from clear that a stress on the need for restraint, the lowering of the nuclear threshold and for mutually balanced force reductions would be either intellectually unwise or electorally unpopular. Mr. Harold Macmillan did very well out of playing a similar card.

Moreover, Labour still has some able young people. Mr. Foot is now actively promoting Mr. Robin Cook, Mr. Frank Field, Mr. Jeffrey Rooker and Mr. Jack Straw as members of the next Labour Cabinet. All of them can stand up to their Tory or Social Democratic contemporaries.

Hugh Routledge

Mr. Foot and Mr. Benn: almost nothing in common any more

Where the Labour optimists are perhaps on the strongest ground of all is on the economy and the present absence of *social consensus*. The message that came out of the Anglo-German conference in Königswinter last weekend was that something approaching a revolution is going on in the productivity of British industry. Top British management said that it was now possible to introduce changes in their British plants which would be *unthinkable in* their French or German subsidiaries. Even trade union representatives admitted it.

The Government has been very slow to take credit for, or even to advertise, this entirely welcome development. Yet there is also a debit side. When the recovery comes, the unions will no longer be so quiescent. As one of their leaders said in Königswinter, they too are using the recession to become leaner, fitter and more efficient—the stock adjectives currently being applied to British companies.

The political question is what *happens in the meantime. Does* management start to be more conciliatory to the unions on such *matters as participation* and giving them a say in, or at least a knowledge of, decisions on manpower and investment? Does the Government encourage this? Or do *the old* industrial strife and the pattern of inflationary wage settlements resume with industrial recovery?

It is just possible that if the Government and management fail to respond, the advantage will lie with the Labour Party. Then the old talk about the need for *social* consent, for an incomes policy and for an agreement with the unions could *again become relevant. It could* be happening before the election.

All that seems to me to be a plausible, if not a probable, sequence of events of which Conservatives should be aware. Yet the Labour Party has other problems. The main one, apart from Mr. Benn, is whether Mr. Foot and Mr. Healey can work together.

No-one pretends that present relations between the two men are anything like close. They want different things, have different temperaments and, basically, Mr. Healey is still seeking the leadership. One of the most striking speculations *of the last week or so came* from a prominent left-wing Labour MP who wondered whether the Left should have preferred Mr. Healey last time "in the interests of party unity." But today, if there is to be any chance of party unity and of winning a general election, Mr. Foot and Mr. Healey *will have to co-operate. Equally,* working closely with Mr. Foot is probably Mr. Healey's only way of securing the succession in the end.

One of the problems is that *there are* really two Michael Foots. There is the old man seen on television waving his stick, short-sighted and long-*haired*, going on about the old issues like Europe, nuclear disarmament and unemployment *with no-one quite sure where* the next sentence is coming from and scarcely a constructive thought to be heard.

There is also, however, the Michael Foot who, as Deputy Prime Minister, helped to preside over one of the more successful periods of British economic management, alongside Mr. Callaghan and Mr. Healey, and who kept the Labour Party in line at the same time. The question is whether that side of Mr. Foot will re-emerge.

There are some indications that it might. Mr. Foot is in many ways permissive, or perhaps wedded to his own past. He is still adamantly opposed to *taking* measures to exclude extremists from the party, remembering what happened to him *in his relative youth*. In that he differs from Mr. Healey.

But there are other signs of a coming together. Mr. Foot has again begun to think and talk about economic issues and *what were the* successes and failures of the last Labour Government. He is in favour of interventionism, but is aware of its shortcomings in the past. He wants more government planning of the economy and believes that this can be done through the existing Civil Service system. He is fashionably impressed by the French and Japanese examples of investment steering and backing *winners, but* would never embrace an approach that was not made in Britain.

In short, he is rather closer to Mr. Healey than sometimes appears: more conservative perhaps, but still on the same track. He *has almost nothing* in common any more with Mr. Benn. Indeed, there is a strong case *for saying that the old-fashioned* Labour Party under Mr. Foot is the most conservative party in the country.

Yet he needs Mr. Healey's help if he is to put the Labour Party into modern dress, and Mr. Healey needs Mr. Foot if his own hopes for the succession are to come to anything worthwhile. *There could be at least* a marriage of convenience.

One should never underestimate the inability of politicians to get on with each other, nor the force of Murphy's law: *if anything* can go wrong, it will go wrong. But it is not wholly impossible that the Labour Party, despite all the obstacles —many of them *self-made*— could still put an act together before the election.

Malcolm Rutherford

Letters to the Editor

Capable council housekeeping

From the Chief Executive, Halton Borough Council

Sir,—In a piece on April 4 you quoted some remarks from Mr. Gordon Lee, the managing director of Tilcon. In that quotation you indicated that he had written to 117 local authorities. My authority was one that Mr. Lee addressed, but he made the mistake that so many of his colleagues make, of attacking all local authorities in general and ignoring the very sensible and considered response that many have made.

For *1981-82* the *combined* rate increase of both this council and the county council will *represent a 4.8 per* cent rise over the present year. The rate increase includes expenditure on all services.

Since 1974-75 the rate called by this council has been 100 percentage points less than the increase in the retail price index over the same period.

This council's manning level will be operating at some 13 per cent lower than the manning levels set in 1976. In the first three months of this year, total manning levels have fallen by 3 per cent.

The council has made cuts in all operational services, and one part of its capital programme—*housing*—has been cut by some 30 per cent.

Because of the Government decision to build a new town in Runcorn, development continues and population increases, all demanding more and more services. The population of this district has increased by some 25 per cent since 1974. The workload that *faces* the authority as a result of that is estimated at a 22 per cent *increase yet we* now employ fewer people than we did in 1974.

All local authority expenditure for all authorities, takes some 24 per cent of total public expenditure and spending by central government departments accounts for over 70 per cent of expenditure. In 1982 all local authorities *in* the country will be spending 21 per cent less than they did in 1975-76, *whereas* central government will be spending some 8 per cent more over the same period.

Many industrialists in this town have told me in recent days that they expect a 41 per cent increase in the price of gas. Their energy and fuel bill increases bear interesting comparison with the trend in rate increases.

I suggest my authority's efforts are more representative of local authorities in general.

Ronald Turton,
Municipal Building,
Kingsway, Widnes.

Organising engineers

From Mr. G. Moffatt

Sir,—I read (April 6) with interest the letter from K. Gill, general secretary of the Amalgamated Union of Engineering Workers (TASS).

Why does he believe that immediate implementation of Finniston would have meant that the Council of Engineering Institutions would relinquish its rights under its royal charter? Regrettably, although Finniston suggested another new title, R.Eng., to be awarded by the new body, he did not consider in his report what would happen to the title C.Eng. I have yet to meet a profes*sional* engineer *who would* prefer the title "registered" to "chartered."

If a body with statutory powers means compulsory registration if you are to practice as an engineer, then remember that the title engineer will have to be protected, as is solicitor or doctor, or who is to know whether a position should be occupied by a professional engineer or not. I regret to say that many of Ken Gill's members would then lose their job titles, or jobs.

There is much wrong with British industry as a whole, but to think that controlling profes*sional engineers by a govern*mental body with representation by the TUC and CBI will cure it, is quite erroneous. There is also a lot wrong with the National Health Service, so please Ken, go and try to get your seat on the General Medical Council and leave chartered engineers to sort out their own problems. After all CEI could probably have done much more if it had had the £30 plus per head that Finniston proposed for the new body, rather than the £1.50 it receives.

All the rank and file institution members that I meet looked forward to Finniston and *were aghast by its conclusions.* The report however, and subsequent action has done more in 18 *months* to unify the profession than had happened in the previous life of CEI. For that we are thankful. But we say a big no to Government *interference especially* with TUC and CBI representation.

There is unlikely to be a significant change in the industrial climate until industry recognises its engineers and designers for the important part they play, and it is more *appropriate in my view, that* the Corfield report be fully and quickly implemented by indus*trial managers, than Finniston* by the Government.

G. R. Moffatt.
5, Carnoustie Grove,
Bletchley, Milton Keynes.

Taxation tangle

From Mr. C. N. Beattie, QC

Sir,—Sir Geoffrey Howe's third Budget may have had the virtue of increasing the tax burden in an attempt to match Government expenditure, except for a £10bn gap, but his 200-page Finance Bill has nothing to commend it. It is the same old story of new taxes and new reliefs, with rates of tax excessively high and reliefs excessively generous. Why not instead an end to the multiplicity of taxes, with rates lowered and reliefs scrapped? The belief that the tax system *was to be simplified must* be discarded, along with other illusions as to the new direction that British politics were to take under the Conservative Party.

C. N. Beattie.
24, Old Buildings,
Lincoln's Inn, WC2.

Devaluation and the economy

From Messrs. H. Gibson and M. Weale.

Sir, — Peter Riddell rightly argues (Lombard, April 3) that a suddent large sterling devaluation, even if it could be achieved, might aggravate inflation. *But he appears to invite* us to apply his criticisms of sudden sweeping devaluations to *the slower smaller ones which* many industrialists and economists now advocate.

Mr. Riddell writes of the real (inflation adjusted) exchange rate. If we adjusted the value *of sterling to the average price* levels in the U.S. and UK over 1950-78, then it would stand at $1.54. Even the recent temporarily low rate of $2.17 is thus over 40 per cent overvalued. We cannot conceive of reductions in money wages, improvements in relative productivity or cuts in profit margins(!) which could hope to eliminate this over a few years.

One can, on the other hand, make some rough guesses of how a 10 per cent devaluation might work through the economy. It certainly would lead to an increase of near 10 per cent — say 9 per cent — in import prices. But it is quite wrong, despite increasing import penetration, to think of the UK *as a small open economy* on the "Scandinavian" model, where home producers rush to *match their home prices to importers'.*

For oil and electrical products this might be a fair assumption, but even for international industries such as chemicals and *paper, it is difficult to find con*sistent evidence that home producers' home prices on average would rise by even a third as much as imports, and only then *after some years*. Most UK manufacturers' export prices would, of course, rise in sterling terms, although some would no doubt take the benefits of devaluation in extra volume, thus slightly easing unemployment, rather than in profit margins.

Thus, excluding the possible effect on wages, it is hard to see a 10 per cent devaluation leading to an increase of more than 3 per cent in the domestic price level, and maybe only half that. *This might have a moderate* effect in increasing wage claims, but never has it been so opposed by other forces; high and rising unemployment, unprecedentedly low profits, and among those still in employment the afterglow of three years' rapid real income growth.

Thus the structure and circumstances of the economy have changed so that a fall in the exchange rate would now feed through to boost wages less far, and less fast, than it did in the 1960s and 1970s. And the structure of government revenues and expenditures has also changed, so that largely *through North Sea income a 10* per cent devaluation would reduce the public-sector borrowing *requirement by £3bn.*

Moderate nominal devaluation now would be more easily achieved, bring more widespread benefits, and incur fewer risks than at most times in the past two decades.

Reductions in interest rates *alone may not be enough to* secure such a devaluation, when the net effect of the budget and most of the Government's policies in the medium term is to push sterling still higher.

Hervey Gibson.
Cambridge Econometrics,
Martin Weale.
Cambridge Growth Project and Clare College,
c/o PO Box 114,
21, St. Andrew's Street
Cambridge.

Channel link

From Mr. R. Evans

Sir, — Lynton McLain's most *apposite* article on the British Rail/British Steel proposal (April 4) highlights what must surely be the goal we as a country should be aiming for when thinking about a future channel link.

Just *take a look at the cur*rent comprehensive schedule of cross-channel ferry services and the very reasonable cost (off-peak) in today's competitive market of transporting a car and four people to France, and it will make you realise what a waste of effort it would be to build a single-track rail tunnel.

What must be considered therefore are the other benefits associated with building a road/rail tunnel *while leaving the* ferry companies with enough incentive to maintain a highly *desirable alternative service.* These benefits are touched upon by your correspondent such as *the two new islands offshore* as navigation aids and the provision of exciting leisure centres *with sandy beaches* and, perhaps, off-shore duty-free status. Moreover, the project timing *could* be *just* about right to help rebuilding of many of our industries again after the recession *with its* labour-intensive factor. Environmentalists should appreciate the possibilities *of* large nuclear power stations on the island sites although they won't like the funnelling *of* traffic to the Kent coast which any channel link would generate.

Over the last 20 years or so I have been involved, from the construction insurance aspect, in the *technical* consideration of the many "cut-and-drop" tunnel projects in the Netherlands such as the Coen, Ij and Hem tunnels in the Amsterdam area and the Benelux, Kil, Drecht, Botlek and Metro tunnels further south. Admittedly these are river tunnels but all are superb technological achievements involving construction of reinforced concrete *caissons in a dry building dock*, floating out and towage of the caissons successively to the tunnel site (often many kilometres distance) and placing each one into position using sophisticated radar / laser systems. These tunnel sections vary considerably in size but typically are of 50,000 tonnes displacement (each) and the length of a football pitch and 50 metres wide, accommodating *perhaps eight traffic lanes and* some tunnels requiring eight caissons.

The engineering talent here in the UK as well as on the continent is, therefore, certainly available for the design and construction of the tunnel caissons and there is ample dredging craft/sand-pumping capacity for building up the islands, also bridge-building know-how for the links to each shore. Who can doubt that this would be one of the wonders of *the world*, and a feather in the caps of all participating members of the EEC, dwarfing even the magnificent Chesapeake Bay bridge/tunnel project in the U.S. Let us hope imagination and innovation will win the day when our decision-makers start seriously discussing all the alternatives.

Richard W. Evans.
The Squirrels,
Harmer Dell,
Harmer Green Lane,
Welwyn, Herts.

Today's Events

GENERAL

UK: Finance Ministers of U.S., UK, West Germany, France and Japan in London talks on world economy.

Mr. Alexander Haig, U.S. Secretary of State, meets Mrs. Margaret Thatcher and Lord Carrington, Foreign Secretary, in London.

Mrs. Margaret Thatcher opens underwater weapons factory of Marconi Space and Defence Systems at Neston, near Chester.

Fermanagh-South Tyrone by-election result, Northern Ireland.

Mr. Michael Foot, Leader of *the Opposition, presents British* Press Awards, Savoy Hotel, London.

Mrs. Shirley Williams, *member* of the Social Democratic Party leadership, launches book "Politics is for People," Royal Commonwealth Society, London.

Christie's auction of Poussin 17th century painting "The Holy *Family" from Duke of Devon*shire's collection.

Trades Union Congress protest meeting, Cardiff.

National Graphical Association meeting Newspaper Publishers' Association.

Archbishop of Canterbury gives fourth St. George's House annual lecture on the new theme *of the House "The Pursuit of* Justice," St. George's Chapel, Windsor.

Professor Sir Ferguson Anderson is guest speaker at annual meeting of Help the Aged, Central Hall, Westminster.

Overseas: Expected resignation of Finland's coalition government.

Polish Parliament in session—key speech by Prime Minister General Wojciech Jaruzelski on working with the unions.

Three-day State Visit by President Chadli Bendjedid of Algeria to Nigeria—12 African heads of State meet in Lagos to discuss Chad situation.

Launch of U.S. Space Shuttle, Cape Canaveral.

European Parliament in session, Strasbourg.

Resumed annual conference of Fianna Fail, Dublin.

PARLIAMENTARY BUSINESS

House of Commons: Private *members' motions.*

OFFICIAL STATISTICS

Building Societies' monthly figures (March).

COMPANY MEETINGS

Alliance Trust, 64 Reform Street, Dundee, 11.30. Howard Machinery, Sproughton, Ipswich, 12.15. West Hampshire Water, Knapp Mill, Christchurch, 3.

UK COMPANY NEWS

Poor UK performance hits Bowater earnings

A POOR second half performance particularly in the UK reduced 1980 pre-tax profits of the **Bowater Corporation** from £91.3m to £85m on increased sales of £1.76bn (£1.72bn). On a current cost basis profits fell from £60m to £49m.

But the group, which has worldwide interests in paper and packaging, building products, furniture, transport, cotton and commodity trading, reported record trading profits of £81m (£64.9m) from its North American companies.

In spite of the overall setback, the directors are recommending payment of a maintained final dividend of 7.25p, making a net total for the year of 11.5p (same).

After the first six months, the group had increased profits from £42.7m to £44.7m.

In the UK, trading profits plunged from £32.2m to £13m. There was a further heavy loss of £5.6m at the Ellesmere Port paper mill up to the date of closure in November.

And at other UK plants, there were redundancy and reorganisation costs amounting to £2.2m.

Group earnings were also hit by a £5.6m loss from trading in U.S. cotton, and the high value of sterling reduced North American profits by some £5.7m on conversion.

The pre-tax surplus was after interest charges of £18.9m (£17.3m) and central costs of £4.7m (£4.3m).

Tax took £42.6m (£27.9m) and minority interests £12.6m (£11.7m). After an extraordinary deduction of £26.1m (£200,000), arising from closures, redundancy payments and net amounts written off assets of £16m, the profit attributable to shareholders was £3.7m compared with £51.5m in 1979. Stated earnings per £1 share emerged lower at 18.8p (33.3p).

Shareholders' funds were reduced by £14.6m to meet dividend payments of £18.3m and now stand at £322.8m.

Group sales and profit by activity were: paper and pulp — profit £78.4m (£72.4m) on sales of £498m (£454m); packaging — profit £10.8m (£13.1m) on sales of £178m (£160m); tissue products — profit £19.3m (£16.8m) on sales of £192m (£156m); building products, lumber, furniture and carpets — profit £1.9m (£7m) on sales of £138m (£158m); international trading, freight services and others — loss £1.8m (profit £3.6m) on sales of £754m (£795m).

The directors report that since the end of the year, the group has announced agreement in principle for the sale, at a price in excess of net asset value, of its cotton and other fibre trading interests.

See Lex, Back Page

HIGHLIGHTS

Lex looks at the poor results from **Bowater**, showing a fall in profits from £91.3m to £85m before £26m of extraordinary items. However, the shares registered a further rise yesterday which is more to do with the underlying value of the company's highly profitable North American operations than the results. **Taylor Woodrow's** profits for the year are marginally higher, with the group showing surprising resillience in UK construction. Lex also looks at the annual report from **Philips NV** which spells out the need for a major restructuring of its European activities. Lex then moves on to consider **Thos. W. Ward's** formal offer document for **Tunnel** and briefly examines the latest CGBR figures which complete the picture for the last financial year. On the inside pages **Morgan Crucible** has maintained its dividend despite a profits fall of nearly £5m, while **Automotive Products** goes into the red though looks for better results this year.

'Windfall' could add £70m to Midland tax

THE "windfall profits tax" imposed on banks in last month's budget is "a most iniquitous example of political expediency," according to Sir David Barran, chairman of **Midland Bank**.

Writing in the 1980 annual report, Sir David says that, if enacted, the levy would add £70m to Midland's tax burden and impair the bank's ability to support industry. His statement echoes the views already expressed by other clearing bank chairmen about the profits tax.

He attributes last year's 26 per cent fall in pre-tax profits principally to a shift from current account to time deposits, a higher provisions charge resulting from the recessionary pressures on industry, and a 29 per cent increase in staff costs to £599m.

The bank reported pre-tax profits of £231.8m for 1980, while attributable earnings were almost halved to £31m on a current cost basis.

Slight rise at Taylor Woodrow

PRE-TAX profit of **Taylor Woodrow**, international engineering construction and development group, was up slightly from £24.57m to £24.84m for 1980, on turnover 18 per cent higher at £520m compared with £438m. The directors say this is the 20th consecutive year of improvement.

At the half-year stage the group made a profit before tax of £8.16m (£7.66m) and turnover stood at £239m (£196m).

A maintained final dividend of 10.157p per 25p share is being paid, together with a special payment of 3p to mark the diamond jubilee of the group, making 16.307p (13.5974p) for the year.

The pre-tax profit was struck after depreciation charges of £11.77m (£8.76m) and profit less losses from associates of £2.49m (£2.7m). Tax for the year took £7.78m (£7.72m) and minority interests came out at £584,000 (£731,000), leaving profit before extraordinary items of £16.48m (£16.13m).

Most of the figure for extraordinary items totalling £20.18m (£779,000), was made up of a £20.63m release from deferred tax in respect of stock relief for the years 1975 to 1979. The attributable amount came out at £36.66m (£16.9m).

Dividends absorbed £4.8m (£4m), leaving a retained balance of £31.87m (£12.9m). The stated earnings per share are 56.1p (56.9p) before extraordinary items, and 55.6p fully diluted.

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DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Associated Book	4.7	—	4.7	7.5	7.5
Automotive Prodts.	1.52	June 25	1.68	3.02	3.18
Blackwood Hodge	1.5	May 30	1.5	2.5	2.5
Bowater Corp.	7.25	July 6	7.25	11.5	11.5
Bowthorpe	1.58	July 1	1.44	2.96	2.69
Brooks Watson	0.65**	June 5	2.25	1	3
Clarke, Nickolls	2.25	May 29	2	4	3.5
Dhami Holdings	4	—	4	4	4
FEB International	2	May 28	1.56	3	2.45
Gen. & Commercial Inv.	5.35	May 29	5.2	9.35	9.07††
General Investors	3.8	May 29	3.5	6	5.9¶
Green's Econ.	3.13	June 1	2.62	5.75	5.23
D.M. Lancaster	0.61‡	—	nil	0.61‡	nil
Lead Inds.	5.96	—	5.96	9.66	9.66
F.J.C. Lilley	3.2†	June 4	2.31	5†	3.85
Midland Inds.	1.5	July 1	1	2.6	3§
Morgan Crucible	3	July 17	3	7.5	7.5
Richards (Leicester)	2.8	June 4	2.8	4.3	4.3
Ruberoil	2.65	May 8	2.15	3.75	3.10
Wm. Sindell	5.5	July 8	4.5	5.5	4.5
Stewart Wrightson	8.15	July 1	8.15	12	12
Taylor Woodrow	13.16‖	June 30	10.16	16.31	13.6
Ward White	2.8	June 12	2.88	4.2	4.2
Watts Blake	2.02	—	1.84*	3.25	2.88*
George Wills	3	—	2.4*	4.5	3.6*

Dividends shown pence per share net except where otherwise stated.

* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ For 18 months. § For 15 months. ¶ Includes 0.4p special. ‖ Includes 3p diamond jubilee special. ** Irish pence throughout. †† Includes 0.57p special.

Bowthorpe increases to £9.05m

Record pre-tax profits of £9.05m were achieved in 1980 by **Bowthorpe Holdings**, the Crawley-based manufacturer of accessories and components for the electronic, telecommunications and aerospace industries, on sales of £54.84m.

In 1979, the group showed a taxable profit of £7.62m on sales of £49.85m.

The directors recommend raising the net total dividend from 2.692p to 2.961p with an ancreased final payment of 1.578p (1.435p).

The pre-tax surplus included a share of associated companies' profits of £1.28m (£969,000). Tax took £4.24m (£3.67m) and minority interests £197,000 (£216,000), leaving a profit attributable to shareholders of £4.61m.

● comment

Bowthorpe's shares climbed 20p yesterday to 180p, the highest they have ever reached. That puts them on a fully-taxed multiple of 17 which — taken with a yield of just under 2.4 per cent — confirms the market's up-rating of the last year or so. A rise of 19 per cent in pre-tax profits for the year goes some way to justify this sort of valuation, sustaining as it does a five year pattern of compound growth at about 17 per cent. Moreover, the result for the second half of 1980 was somewhat better than the company had forecast. All the same, the figures reveal a slippage in both sales and profits, respectively 7 and 18 per cent below their interim levels. Even though orders for the relays and connectors of Hellerman Deutsch are still very strong, the final quarter showed weakness in the cable-care side. The overall trend in the current year is still downwards, and the growth record will certainly falter. Bowthorpe's balance sheet is even stronger than a year ago, but until the net cash can be deployed in areas with more exciting growth prospects than Bowthorpe's rather mature product range now offers, the shares will look increasingly overvalued.

Racal-Milgo records to be examined

The New York State Supreme Court has granted a request by **Timeplex Inc.** to examine the records of Racal-Milgo, the data communications subsidiary of the **Racal Electronics** group of the UK.

Announcing this yesterday, Timeplex said that the Court also said it could take testimony from the Racal-Milgo executives and employees to aid in an arbitration proceeding to be instituted by Timeplex.

Timeplex said that it told the court that it believed Racal-Milgo helped its U.S. sister company, the Florida-based Racal-Milco, develop a product to compete with Timeplex's multiplexer.

GKN hopeful for next year

Mr. G. Trevor Holdsworth, chairman of **Guest Keen and Nettlefolds**, says in his annual review he does not expect 1981 will see any general upward trend in the group's markets, but beyond that, he is hopeful that the very stringent, rapid and costly action that had to be taken will provide the basis for a better financial performance.

Disastrously low national productiveness has been the central economic problem of the UK for a long time, Mr. Holdsworth says. If the standard of living is not to decline steadily and permanently, substantial changes have to be made.

The private sector of manufacturing industry has, in particular, taken action and achieved substantial change, he says, but the same degree of adjustment has not yet taken place in much of the public sector—the UK has nearly half its economy in this sector.

"We are still faced with absorbing without choice many increased charges for goods and services . . . from providers complacently continuing to deal with their employees as if maintaining their standard of living or their jobs was an unquestionable right," the chairman states.

He adds that there are some signs in the UK that the rapid decline in markets and the destocking may be slowing down, although the Budget may give another twist to the spiral in certain market areas.

The group's programme for strategic change and development remains to concentrate on the manufacture of technologically-oriented products of high added value; to direct group thrust to world rather than national markets both by direct exports and by overseas investments: to increase substantially involvement in the services sector both in wholesale and industrial distribution and in a variety of problem-solving services to industry, commerce, construction and the community at large.

As reported on March 19, a £37.4m loss was incurred in the second half of 1980 which resulted in a turnround from a profit of £125.8m to a deficit of £1.2m for the full year. Turnover of this automotive components, wholesale and industrial distribution and steels concern fell slightly from £1.96bn to £1.92bn. The dividend is cut from 19.3937p to 8p, with a final of 4p.

Meeting, Smethwick, West Midlands, May 7, 12.15 pm.

Rank pays £1.6m for Camera Effects

Rank Organisation has acquired Camera Effects from Brent Walker for £1.65m.

Camera Effects, which made a profit of some £500,000 in 1980, operates in the same areas of the film production market as Rank's subsidiary, Rank Film Laboratories.

The company is involved in a wide spread of activities which includes cinema features, commercials, television, sports and documentary programmes and industrial and training films.

BRUSHES INTO ACQUISITION

Brushes International, part of the B.E.T. group, has bought the brush sales division of **Machines Osborn**, formerly the French distributor of its products.

English China Clays purchases Whitfield

English China Clays has acquired the capital of **Whitfield and Son (Holdings)** for a consideration of £2m, to be satisfied by the payment of £1.4m cash and the issue of 575,761 ECC ordinary shares.

Whitfield, based in Newcastle, Staffordshire, is the holding company of a group of seven engaged in merchanting and agenting of industrial minerals and machinery for the ceramics industry, both in the UK and overseas. They also process and supply materials for the plastics and packaging industries, and chemicals for the surface coating and rubber industries in the UK.

SPAIN

April 9	Price %	+ or −
Banco Bilbao	297	+3
Banco Central	335	
Banco Exterior	265	+3
Banco Hispano	291	+1
Banco Ind. Cat.	125	
Banco Santander	318	+10
Banco Urquijo	181	
Banco Vizcaya	316	
Banco Zaragoza	221	−4
Dragados	140	−3
Espanola Zinc	75	
Fecsa	58.7	−1.3
Gal. Preciados	29	−1
Hidrola	64.7	−0.8
Iberduero	57	−1.2
Petroleos	94.5	−0.5
Petroliber	70	
Sogefisa	83	
Telefonica	60.7	
Union Elect.	63.7	−0.8

Blackwood Hodge slides to £5m—pays same

THE TRIMMING of gross margins by intense competition in a weak market combined with rising overheads undermined Blackwood Hodge's 1980 performance. Trading profits emerged 19 per cent lower but higher interest costs increased this fall to more than 50 per cent at the pre-tax level.

On sales 6 per cent better at £298m (£282m) the taxable total slid to £4.99m, compared with £10.88m for the previous year which was after a £1.65m exceptional charge in respect of certain stock losses and other costs at Hydrocon Engineering.

Much of the setback came in the second half when the pre-tax figures dived from £6.54m to £1.17m.

However, the total dividend is being maintained at 2.5p net by a same again final of 1.5p, and, though unable to give a definite projection, the directors of this international earthmoving equipment group are confident of a profitable 1981.

The company points out that trading profit, reported at £18.26m (£22.68m), would have been £1.6m greater this time if 1979 exchange rates had applied.

Only the trading result from Australia showed an increase—up from £3.07m to £3.73m on sales of £52.5m, against £38.6m. The sharpest fall was seen in Europe, down from £2m to £368,000 on turnover of £49.5m (£54.9m).

In the UK, sales rose from £85.8m to £100.8m helped by the new vehicle division and a large volume of exports but profit dipped to £6.07m (£7.56m). Elsewhere the geographical split of profit and sales showed North America £4.88m (£5.34m) on £49.5m (£52.4m); Africa £2.44m (£3.92m) on £40.3m (£41.7m), and Asia £780,000 (£799,000) on £5.72m (£8.28m).

Stated earnings per 25p share came out at 2.53p (7.24p) basic or 2.5p (6.8p) fully diluted after tax down at £2.65m (£4.66m) before a deferred tax release of £1.98m (£1.03m).

The pre-tax result was struck after interest of £13.82m (£10.44m) despite little change in average borrowings and the share of the Nigerian associate's profit, up at £557,000 (£291,000).

The attributable balance was £4.58m (£6.61m) including an extraordinary gain of £500,000 (£259,000 debit) this time arising on the sale of Berkeley JCB.

Total net assets of the group at year end were down at £93.4m (£99m) while the book value of attributable net assets stood at £65.8m (£66.3m).

● comment

At the halfway stage, Blackwood Hodge's pre-tax profits were 11½ per cent down. But the serious damage has been inflicted in the second half, when profits tumbled to £1.2m. Volume has more or less held its own, though at the expense of margins and a high level of stocks, partly to ensure that the company can offer immediate supply. The full story is not shown by the 30 per cent second half decline in trading profits: selling prices have not moved up enough to balance the worldwide rise in interest rates — and the high level of gearing has come home to roost with a vengeance. Real earnings reflect the pressure. In current cost terms there has been a pre-tax loss of about £2m, while on the historic cost convention shareholders' funds are £½m lower even after the transfer of £2m from deferred tax thanks to the change in stock relief.

F. J. Lilley lifts final to 3.2p

ON RECORD turnover of £101.5m, compared with £80.03m, taxable profits of F. J. C. Lilley, civil engineering and building contractor, advanced in the year to January 31, 1981, by over 19.7 per cent, from £5.1m to £6.11m—also a record. Mid-term profits were ahead by £338,000 at £2.76m.

At the time of the rights issue last October the directors forecast a final dividend of 2.7p. However, after considering the results they are proposing a final of 3.2p, which raises the total from 3.85p to 5p net.

For the current year the group's order book is at record levels, a third of which are in respect of overseas work, as compared with the past year when exports and overseas construction accounted for 20 per cent of turnover.

The directors say it would be unrealistic to make optimistic statements about the future, but the group is now better placed to take advantage of opportunities as they arise worldwide to sustain the progress achieved in recent years.

The surplus for the past year was struck after depreciation of £2.67m (£1.81m) and interest received of £491,000 (£503,000).

There was a tax credit of £2.99m (£1.97m charge) after which stated earnings per 25p share (excluding exceptional deferred tax release) emerged higher at 23.77p (16.22p adjusted). The net balance rose sharply from £3.24m to £9.1m.

The tax credit arose from the provision of taxation for the past year of £1.27m being offset by a release of deferred tax provisions of £4.26m.

Both the new subsidiaries, Henry Jones and Son (Portsmouth) and Harrison Western Corporation of the U.S., made the anticipated contributions to the overall results.

Automotive Products loss but outlook better

A SECOND-HALF deficit of £6.24m against a £5.59m profit, has left Automotive Products, vehicle and aircraft manufacturer, with a taxable loss of £3.07m for 1980, compared with a £13.47m surplus — result included £2.5m redundancy costs.

Given the expectation of some improvement in demand as the year progresses, the directors anticipate a return to profits for the current year as a whole.

Turnover for 1980 was £206.3m (£196.7m) and reflects the generally low rates of vehicle building, together with the adverse impact of sterling against continental EEC and U.S. sales—automotive division home market sales fell 4.3 per cent; EEC sales were 6.6 per cent lower; sales to other export customers rose by 40 per cent.

There was a corporation tax credit of £3.15m (£3.39m), and a deferred tax credit of £4.72m (£1.67m debit) leaving a profit of £4.8m (£15.2m) before extraordinary items of £312,000 (£4.85m).

Earnings per 25p share are well down from 25.54p to 7.04p and the dividend is decreased slightly to 3.01899p (3.17788p) net with a final payment of 1.51899p.

On a CCA basis pre-tax loss is increased to £13.13m.

Parts and service division's sales were 7 per cent lower in the home market and 27 per cent higher in export, but these were achieved by a substantial reduction in back orders and mask a fall off in order intake in the domestic and export markets, the directors explain.

The new filter factory at Wingates Industrial Park (Bolton) was completed on time and 1980 saw the integration of the silencer and filter division.

Expenditure during the year on capital projects amounted to £11.6m, of which £6m was in respect of the new filter division plant. Additional projects approved during the year for future expenditure amounted to £11.4m.

● comment

AP has cut its gross dividend by 5 per cent and the historic p and l—to say nothing of the inflation adjustment — makes dismal reading but there is sufficient buoyancy in its 1981 projections to support an historic yield of just under 8 per cent at 56p, up 3p yesterday. By virtue of the deferred tax release, reduced working capital needs and the roll-over of a substantial tranche of the £20m capital spend initially planned for 1980, the rise in debt has been limited to £15m and the balance sheet is 37 per cent geared. Prices have plainly failed to compensate for under-capacity utilisation and the outlook for prices this year is not expected to improve very much. But AP believes that sales value will climb by about a tenth this year, which is in effect all volume, as the level of new business increases overseas. It is putting in new plant at Sterling Heights to supply pre-filled clutch actuation hydraulics to Ford in Detroit, among others. It continues to crack the tough French market, too, with new clutch applications for Renault. European subsidiaries should by next year be making a proper return on recent heavy investment, after a £116,000 profit, and the U.S., which lost some £300,000 last year, is expected to make money in 1982. It may be worth noting that direct exports climbed by a sixth to £55m.

£1.24m fall at Assocd. Book

THE directors of **Associated Book Publishers** ascribe a fall in trading profit from £2.96m to £1.98m for 1980 to the recession, short-term inhibiting effects of computerisation in two subsidiaries and non-recurring bad debt and redundancy costs.

After interest charges substantially up from £6,000 to £268,000 pre-tax profit came out at £1.71m, compared with £2.95m. Turnover for the year was £35.81m (£30.54m).

The directors have taken remedial action to return the group to steady growth, and the UK operations are looking forward to increased profits.

The role of the U.S. subsidiary has been changed—with the termination of non-specialist publishing at a cost of £176,000 charged as an extraordinary item (nil)—and the past losses will be much reduced. Meanwhile the Australian publishing and UK bookselling companies are well on the way to recovery from the adverse short-term effects of computerisation, they say.

The final dividend is maintained at 4.7p per 20p share making a same again total 7.5p absorbing £274,000. Preference shares took £15,000 (same).

UK tax was down from £687,000 to £64,000 mainly because of additional stock relief, but overseas tax rose to £745,000 (£635,000) because of the withdrawal of stock relief.

Minority interest claimed £307,000 (£359,000) and the retained balance came out at £126,000 (£983,000).

A geographical analysis of turnover and trading profit is as follows: UK £18.26m (£16.75m), and £939,000 (£2.08m); Australia and New Zealand £8.34m (£6.33m), and £521,000 (£499,000); Canada £8.35m (£7.1m), and £1.14m (£1m); U.S. £853,000 (£361,000), and £631,000 loss (£673,000 loss).

George Wills slips to £1m

ON turnover ahead £1.9m to £70.8m, pre-tax profits of George Wills and Sons (Holdings), importer and exporter, slipped from £1.19m to £1.02m for 1980.

At halfway, profits were £553,000 (£603,000) but the directors expected results for the full year to be in line with 1979. They now explain that results were adversely affected by trading difficulties encountered by some of the subsidiaries, during the final months of the year.

Trading in the first quarter of the current year has been reasonably satisfactory, but indications are that conditions will continue to be difficult throughout the period. The directors say that in view of this a firm forecast for 1981 cannot be made at this time.

After tax, lower at £270,000 against £420,000, net profit was £753,000 (£765,000) giving earnings of 12.5p (12.76p) per share. The dividend is effectively increased from 3.6p to 4.5p with a final of 3p net.

The attributable balance came out at £412,000 (£562,000) — of which the dividends will take £271,000 (£216,000) — after minority interests, last time, of £18,000 and an extraordinary debit of £341,000 (£185,000).

The directors state, that a question has been raised by the Inspector of Taxes regarding stock relief claimed by a subsidiary. Pending the outcome, full provision has been made in deferred tax and has been included in the extraordinary item.

Static half for Watts Blake

WITH profit growth falling entirely in the first six months, the pre-tax result of Watts Blake Bearne and Co. finished 1980 ahead by £326,000 to £3.94m. At midway an advance of £332,000 to £1.92m was reported.

On prospects, the directors of this ball and china clay group, say they do not expect any significant overall improvement in sales—which started 1981 at a lower rate than last year—until the last quarter. Also the strength of sterling is taking its toll. These factors will have an adverse effect on 1981 performance, they warn.

Sales for 1980 rose from £22.29m to £24.72m, with the UK contribution at £6.71m (£6.15m) and exports and overseas trading totalling £18.01m (£16.14m).

Profits were struck after depreciation of £1.79m (£1.65m) and post-invoice currency losses £95,000 (£106,000). Tax took £1.09m (£1.37m) leaving the net balance up from £2.14m to £2.76m.

The amount retained was £2.21m (£1.66m) and on a CCA basis pre-tax profits are shown at £2.32m (£2.35m).

Earnings per 25p share increased from 13.01p to 16.62p and the dividend is effectively lifted from 2.88p to 3.25p with a final payment of 2.02p net.

Revamped Lancaster at £0.28m

TURNOVER of D. M. Lancaster, tour operator, for the 18 months to end 1980 came out at £5.7m compared with £187,497 for the 12 months to June 30, 1979.

During the 18 months, D. M. Lancaster the former fabric finishing business was reconstructed into a tour operator, by means of a reverse takeover by Club 18-30 in May, 1980. The textile business was closed down last December.

The turnover figure comprised £5.49m for the tour operations and £202,204 (£187,487) for the textile activities. Pre-tax profit, including a textile loss of £33,122, came out at £285,119 (£15,450).

The profit figure was struck after charging non-recurring losses of £41,303 by the textile business.

Additionally, the accounts include 13 months trading of Club 18-30 as the directors extended the accounting period of this company from November 30 to the end of December. This had the effect of reducing profits by £80,000 on a non-recurring basis, because the company does not generate income in December, they say.

After deducting £8,181 (£3,300) for the cost of closing the textile activities the attributable figure emerged at £164,424 (£7,432).

The dividend for the period is 0.6125p (nil) per 5p share, and the stated earnings came out at 1.75p (0.11p) per share. The retained balance was £140,320 (£36,166).

RESULTS AND ACCOUNTS IN BRIEF

MOLINS (international precision engineering group)—Results for year to end-December, 1980, already known. Shareholders' funds £84.73m (£81.4m); loans £10.11m (£11.44m); debtors £26.08m (£25.27m). Historical pre-tax profits of £8.91m (£11m) reduced to £2.2m on a CCA basis. Meeting, The Plaisterers Hall, London Wall, EC, April 29, 12.15 pm.

TACE (electrical and mechanical control equipment manufacturer)—Results for the year to end-September, 1980, announced February 27. Shareholders' funds £5.03m (£5.16m), medium and long-term borrowings £1.01m (£1.21m), short-term borrowings £2.25m (£2.08m), bank balances and cash £258,000 (£126,000). Trading conditions deteriorated in first quarter of current year but following economies, a new product development programme and an improvement towards the end of the second quarter directors hope for a return to satisfactory profitability. Meeting: Essex Hall, WC, April 28, 3 pm

DHAMI HOLDINGS—1980 turnover, £32,253 (£36,326). Net profit £9,379 (loss £4,288). UK tax £5,387 (£5,046 and, overseas £3,209 (£15,325). Earnings per £1 share 4.4p (loss 2.57p). Dividend 4p (same). The directors state that no material progress has been made towards the resolution of the disputed Bangladesh tax claims.

BANK RETURN

BANKING DEPARTMENT

	Wednesday April 8 1981	Increase (+) or Decrease (—) for week
	£	£
Liabilities		
Capital	14,553,000	—
Public Deposits	71,961,175	+ 11,756,066
Bankers Deposits	470,737,990	— 192,340,300
Reserve & other Accounts	1,298,357,648	+ 37,769,175
	1,855,609,813	— 142,815,069
ASSETS		
Government Securities	603,080,858	+ 75,515,000
Advances & other Accounts	812,551,950	— 117,113,909
Premises Equipment & other Secs.	435,873,811	— 100,603,737
Notes	3,814,056	— 598,727
Coin	289,740	— 13,696
	1,855,609,813	— 142,815,069

ISSUE DEPARTMENT

	£	£
Liabilities		
Notes issued	10,550,000,000	+ 75,000,000
In Circulation	10,546,185,944	+ 75,598,727
In Banking Department	3,814,056	— 598,727
ASSETS		
Government Debt	11,015,100	—
Other Government Securities	6,823,232,190	+ 664,050,930
Other Securities	3,715,752,710	— 589,050,930
	10,550,000 000	+ 75,000,000

CORAL INDEX:
Close 547-552 (+8)

1980-81 High	Low	Company	Price	Change	Gross Div (p)	Yield %	P/E
75	39	Airsprung	73	—	4.7	6.4	11.6
50	21	Armitage and Rhodes	50	+ 1	1.4	2.8	20.8
192	92½	Bardon Hill	191	+ 1	9.7	5.1	7.2
98	88	Deborah Services	98	+ 1	5.5	5.6	4.9
126	88	Frank Horsell	104	—	6.4	6.2	3.3
110	39	Frederick Parker	51	—	1.7	3.3	22.2
110	69	George Blair	69	—	3.1	4.5	—
110	59	Jackson Group	107	—	6.9	6.4	4.0
124	103	James Burrough	118	— 1	7.9	6.7	9.7
334	244	Robert Jenkins	320	—	31.3	9.8	—
55	50	Scruttons "A"	52	+ 1	5.3	10.2	3.8
224	209	Torday	209	—	15.1	7.2	3.6
23	8	Twinlock Ord.	11¼	+ ¼	—	—	—
90	69	Twinlock 15% ULS	72	—	15.0	20.8	—
58	35	Unilock Holdings	45	—	3.0	6.6	6.9
103	81	Walter Alexander	101	—	5.7	5.6	5.6
283	181	W. S. Yeates	255xd	+ 1	13.1	6.1	4.8

Wrighton suspends share dealings after bid talks

THE LOSS-MAKING fitted kitchen group **F. Wrighton and Sons (Associated Companies)**, yesterday called a halt to dealings in its shares on the Stock Exchange.

The company, which said that the suspension was pending a further announcement, disclosed about six weeks ago that "discussions were taking place which may lead to an offer being made." No directors were available for comment yesterday.

At yesterday's suspension price of 64p, the company *is valued at* £2.88m. With the Wrighton family controlling over 60 per cent of the shares any deal would have to be agreed. The Pearl Assurance Company and the Prudential Assurance Corporation each have a 6.66 per cent stake.

The group, which sells its domestic furniture under the "Wrighton" label, reported profits down from £491,000 to £206,000 in the year 1979-80.

In the first half of the current year there was a turnround from a profit of £60,000 to a loss of *£180,000, reflecting reduced de*mand particularly from the construction industry and to a lesser extent from the retail trade.

This apart, Wrighton has been hit by an increase in interest charges — up from £54,000 to £162,000 — following heavier borrowings connected with the move of the manufacturing operation from Walthamstow, East London to Nazeing, Essex.

In their interim report in January the directors said that the rest of the year was unlikely to provide significant changes in the level of demand which they expected to remain constant until the economy recovers. Benefits from the reorganisation were not expected to be realised this year.

Green's progress blunted as subsidiaries suffer

DESPITE reporting improved pre-tax profits, up from £1.1m to £1.87m, the directors of **Green's Economiser Group**, engineer, say the figures for the 53 weeks to January 4, 1981, would have been considerably higher had not certain of the Wakefield-based subsidiaries suffered severely.

The board is now confident, however, that the steps it has taken, and the spread of the company's activities, will enable it to at least maintain the present *level of profitability in* 1981.

Turnover for the 53 weeks rose *from* £21m (year to December 30, 1979) to £30.67m. The company proposes a scrip issue of one-for-six.

The pre-tax figure was struck after an exceptional debit of £204,246 (nil), interest receivable, £67,631 (£56,818) and interest payable, £207,440 (£93,490). After tax up from £182,707 to £377,693, stated earnings per 25p share were 7p higher at 17.7p. The final dividend is increased from 2.6152p to 3.1348p *for a total of* 5.75p (5.2304p).

International Fund from Pru

Prudential Pensions, the managed fund subsidiary of Pruden*tial Assurance Company, is* launching an International Fund *for its clients.* Up till now Prudential Pensions has provided overseas equity investment *through the equity fund. This* fund invested primarily in UK equities, but held a portion of the fund in overseas markets at the discretion of the investment manager of the fupnd. Now this prt of the fund is being hived off in a separate fund managed indepenedent of the UK equity fund. It will have an initial value of around £50m and the *transfer of existing client's hold*ings through the equity fund will be automatic.

During 1980, the managers were heavily invested in the Japanese market. But this year, the Pru feels that the Yen is no longer undervalued so exposure is being reduced. More emphasis is being placed on the U.S. and Europe—the former because of *political expectations and Europe* because of the cyclical considerations. The target holdings is 50 per cent U.S., 25 per cent Japan and 25 per cent Europe.

At present clients funds of Prudential Pensions hold about 6 per cent of the total portfolio in overseas equities. The intention is to gradually increase this proportion. The Pru feels that *this sector shows good growth* prospects. It has a large overseas investment department for *main life funds.*

The annual report of the com*pany shows* that during 1980 total funds under management increased by nearly half from *£485m to £715m. The number* of clients using the funds rose by 39 to 239, of which 25 were new clients and 14 were schemes transferred from the parent. The equity funds improved from £160m to £269m, the fixed interest from £142m to 182m and *the property fund from* 183m *to* £264m.

Mr. Tim Richards, general manager and acturay of Prudential Pensions said that funds now *amounted to £773m and could* approach £1bn by the end of the year.

MINING NEWS

Chairmen of RTZ units take a cautious line

BY GEORGE MILLING-STANLEY

THE CHAIRMEN of several major subsidiaries of **Rio Tinto-Zinc** (RTZ) are generally not optimistic about prospects for the current year in their annual statements to shareholders.

RTZ's results for 1980 are due next week, and they are expected to show profits little changed from 1979, but the predictions *from subsidiaries do not augur* well for 1981.

Sir Roderick Carnegie, chairman of RTZ's Australian arm CRA, which regularly contributes around one-third of group profits, warned that CRA's 1981 performance could be substantially below that of 1980.

Mr. J. T. Ralph, chairman of CRA's aluminium-producing sub*sidiary Comalco, said that on* current estimates, results for 1981 will be somewhat below those for 1980, while Mr. J. L. Liebelt, chairman of the Queensland uranium producer *Mary Kathleen Uranium* (MKU), also a CRA subsidiary, expects a substantial decrease in earnings.

Mr. Robert D. Armstrong of the group's Canadian arm, **Rio** *Algom, said that Canada's* general economic prospects are not encouraging.

And Mr. G. A. Macmillan of the South African copper producer **Palabora** forecast a reduction in both profits and dividends unless there is an upturn in current metal prices.

The reduction in CRA group earnings evident in the second half of 1980 is expected to continue in the first half of the current year, and possibly even longer, according to Sir Roderick.

He was also concerned about the strength of the Australian currency, and indicated that if exchange rates and metal prices remain at current levels, profits could suffer.

Comalco's Mr. Ralph seemed confident of a recovery in demand for aluminium during the second half of 1981, and his comparative optimism was *strengthened by the buoyancy of* the market in Australia. Nevertheless, cost pressures remain a problem, and he foresaw a fall in profits this year.

The MKU chairman referred to the significant imbalance between supply and demand in the uranium market, which has caused spot market prices to fall to under US$30 (£14) a pound, *and said there is no reason to* assume prices will recover in the short term.

While *MKU* sells most of its production on long-term contracts, prices are affected by the free market, and on average are lower this year than in 1980.

Production is expected to be maintained this year, but deliveries will be markedly lower, with a consequent adverse effect on revenue. These factors, plus the continuing impact of inflation and increased costs associated with a deepening open-pit operation, will bring about the expected fall in earnings.

The company expects to repay the outstanding A$10m (£5.3m) loan to the Australian Govern*ment and CRA, which will free* it from restrictions on paying dividends. No indication is *given of the likely timing or* level of payments.

At Rio Algom, Mr. Armstrong said that real growth in Canada this year may be no more than 1 or 2 per cent. This will hit the results of the Atlas Steels and Atlas Alloys subsidiaries, while lower prices for copper and molybdenum will adversely affect the 68.1 per cent-owned **Lornex**.

Palabora's Mr. Macmillan said that it seems generally believed *there will be no meaningful* improvement in copper prices until towards the end of this year. *In the absence of higher* prices, profits and dividends are expected to fall.

MMC group production

OUTPUT OF tin concentrates by *the companies in the Malaysian* **Mining Corporation** group rose to 1,202 tonnes in March compared with 1,065 tonnes in February.

The enlarged **Malayan Tin Dredging** increased production to 662 tonnes, against 550 in February, brining the total output for the last nine months to 4,710 tonnes.

The second largest producer, **Berjuntai Tin**, managed a mar*ginal increase in output* of 253 tonnes; production for the 11 month period totalled 3,058 *tonnes compared with 3,612 in* the same period last year. During the month Berjuntai's No. 5 Dredge remained shut down for major repairs.

The latest output figures are compared in the following table.

	March tonnes	Feb. tonnes	Jan. tonnes
Aokam	100	107	109
Ayer Hitam	107	93	112
Berjuntai	253	243	291
Malayan*	662	550	604
Sungei Besi	96	106	114
Tongkah Harb.	52	54	86
Tronoh Mines†	53	46	57

* Includes Bidor Malaya, Kramat, Lowker Perak, Southern Kinta, Southern Malayan. † Excludes Bidor Malaya.

Woodada 4 flows gas

PRELIMINARY testing of the Woodada 3 well in the Perth Basin of Western Australia has *produced an initial strong flow* of oil-cut diesel fuel. The well, stimulated by diesel fuel, then *ceased to flow, according to* Strata Oil, which has a 26.95 per cent interest in the Woodada discovery.

A further test was undertaken *on Wednesday and the well was* still flowing after a three-hour period. Additional testing is currently being carried out.

Meanwhile, the Woodada 4 well has been cased and after acidising (stimulation) flowed gas at an estimated 50,000 cubic *feet a day. Strata also says that* depending on the full testing of Woodada 3 it is planned to drill up to 12 wells along the northwestern part of the permit.

Full testing of Woodada 3 cannot be carried out until a workover rig arrives at the location. *Strata says that a rig* with workover capabilities is available in Houston and could be on site within six weeks.

Other holdings in the Woodada field comprise **Hughes and Hughes of Texas**, with 65 per cent, **Mincorp**, with 1 per cent and the UK-registered **Hampton Trust**, which is in the process of purchasing a 3.5 per cent interest.

LONDON TRADED OPTIONS

(April 9 Total contracts 1854)

Option	Ex'rcise price	April Closing offer	April Vol.	July Closing offer	July Vol.	Oct. Closing offer	Oct. Vol.	Equity close
BP	360	19	7	44	—	54	—	376p
BP	390	4	14	22	4	38	—	"
BP	420	2	5	13	—	26	—	"
Com. Union	180	2	—	10	5	15	10	169p
Cons. Gold	460	32	15	60	—	80	3	490p
Cons. Gold	466	14	6	—	—	—	—	"
Cons. Gold	500	—	—	40	—	50	1	"
Cons. Gold	538	1½	10	—	—	—	—	"
Cons. Gold	550	—	—	20	5	30	—	"
Courtaulds	50	18	12	19	—	21½	26	67p
Courtaulds	60	8	54	11	345	13	10	"
Courtaulds	70	1½	29	5½	66	8	136	"
GEC	600	82	4	100	1	118	—	681p
GEC	650	32	2	55	1	75	—	"
GEC	700	6	—	27	8	47	—	"
Grand Met.	160	37	5	44	—	47	—	197p
Grand Met.	180	17	28	27	—	31	2	"
Grand Met.	200	4	23	14½	25	19	—	"
ICI	230	44	10	58	—	66	—	262p
ICI	240	24	—	42	13	52	—	"
ICI	260	9	11	27	74	38	4	"
ICI	280	2	—	15	26	25	4	"
ICI	300	½	—	7	30	16	3	"
ICI	330	½	30	3	—	—	—	"
Land Sec.	390	34	5	45	—	62	—	421p
Land Sec.	420	10	10	28	—	42	—	"
Land Sec.	460	1	11	10	2	22	—	"
Shell	360	14	25	34	12	46	12	"
Shell	390	2	4	18	—	32	1	"
Shell	420	½	—	6	1	15	—	"
Shell	330	38	321	56	—	66	—	366p
Totals			1		618		212	
		May		August		November		
Barclays B'k	390	35	2	48	10	60	1	418p
Barclays B'k	420	10	85	33	29	40	—	"
Imperial Gp.	80	1½	—	4	10	4½	10	75p
Lasmo	660	2	2	18	—	27	—	554p
Lasmo	700	1	4	13	5	18	15	"
Lonrho	90	8½	8	16	—	18	1	96p
Lonrho	100	4½	189	9½	—	12½	3	"
Lonrho	110	2	25	6	41	8½	1	"
Lonrho	120	½	54	2½	—	—	—	"
P. & O.	120	33	8	35½	—	39	2	152p
P. & O.	140	14	67	21	2	26	—	"
P. & O.	160	5	10	10½	62	14½	—	"
Racal Elec.	390	9	—	27	2	40	—	378p
RTZ	414	75	1	—	—	—	—	485p
RTZ	420	—	—	75	—	97	3	"
RTZ	454	40	13	—	—	—	—	"
RTZ	460	—	—	55	—	73	3	"
RTZ	500	—	—	32	35	52	—	"
Totals			468		196		39	

BASE LENDING RATES

A.B.N. Bank	12 %	■ Guinness Mahon	12 %
Allied Irish Bk.	12 %	■ Hambros Bank	12 %
American Express Bk.	12 %	Heritable & Gen. Trust	12 %
Amro Bank	12 %	■ Hill Samuel	§12 %
Henry Ansbacher	12 %	C. Hoare & Co.	†12 %
AP Bank Ltd.	12 %	Hongkong & Shanghai	12 %
■ Arbuthnot Latham	12 %	Keyser Ullmann	12 %
Associates Cap. Corp.	12 %	Knowsley & Co. Ltd.	14 %
Banco de Bilbao	12 %	Langris Trust Ltd.	12 %
BCCI	12 %	Lloyds Bank	12 %
Bank of Cyprus	12 %	Mallinhall Limited	12 %
Bank of N.S.W.	12 %	Edward Manson & Co.	13 %
Banque Belge Ltd.	12 %	Midland Bank	12 %
Banque du Rhone et de la Tamise S.A.	12½ %	■ Samuel Montagu	12 %
Barclays Bank	12 %	■ Morgan Grenfell	12 %
Beneficial Trust Ltd.	13 %	National Westminster	12 %
Bremar Holdings Ltd.	13 %	Norwich General Trust	12 %
Brit. Bank of Mid. East	12 %	P. S. Refson & Co.	12 %
■ Brown Shipley	12½ %	Ryl. Bk. Canada (Ldn.)	12 %
Canada Perm't Trust	13 %	Slavenburg's Bank	12 %
Cayzer Ltd.	12 %	E. S. Schwab	13 %
Cedar Holdings	12 %	Standard Chartered	‖12 %
■ Charterhouse Japhet	12 %	Trade Dev. Bank	12 %
Choulartons	12 %	Trustee Savings Bank	12 %
C. E. Coates	12 %	TCB Ltd.	12 %
Consolidated Credits	12 %	United Bank of Kuwait	12 %
Co-operative Bank	*12 %	Whiteaway Laidlaw	12½ %
Corinthian Secs.	12 %	Williams & Glyn's	12 %
The Cyprus Popular Bk.	12 %	Wintrust Secs. Ltd.	12 %
Duncan Lawrie	12 %	Yorkshire Bank	12 %
Eagil Trust	12 %		
E. T. Trust Limited	12 %		
First Nat. Fin. Corp.	14½ %		
First Nat. Secs. Ltd.	14½ %		
Robert Fraser	12 %		
Antony Gibbs	12 %		
Greyhound Guaranty	12 %		
Grindlays Bank	‡12 %		

■ Members of the Accepting Houses Committee.
* 7-day deposits 9%, 1-month 9¼%. Short term £4,000/12 months 11.85%.
† 7-day deposits on sums of £10,000 and under 9%, up to £50,000 9¾%, and over £50,000 10¼%.
‡ Call deposits £1,000 and over 9%.
§ Demand deposits 9¼%.
‖ 21-day deposits over £1,000 10½%.

ROUND-UP

Sharp rises in operating costs and interest charges pushed **Marinduque Mining and Industrial Corporation**, the major Philippines nickel producer, into the red last year. Mr. *Jesus Cabarrus*, president, disclosed that the company made a net loss of 274.2m pesos (£16.6m) in 1980, compared with a profit of 165.3m pesos in 1979.

Sales were 39 per cent higher at 1.37bn pesos, but operating costs leapt by 74 per cent to 330m pesos.

The value of Marinduque's output of nickel and of sulphides containing nickel and cobalt rose last year to 1.89bn pesos from 1.37bn pesos in 1979.

* * *

The Australian Government has approved the takeover of **Bayswater Colliery** by the U.S.-controlled **Caltex Oil (Australia)** and two Australian companies, **the Australian Mutual Provident Society and Pioneer Sugar Mills.** Caltex will have a 49 per cent stake, the AMP 40 per cent and Pioneer Sugar 11 per cent.

Bayswater produces steaming coal from a colliery near Muswellbrook, in the Hunter Valley of New South Wales. The operation lies in the rapidly-expanding Singleton-Northwest coal district, about 150 miles north of Sydney.

* * *

Further drilling at the Gold Quarry property of **Newmont Mining** of the U.S. has indicated an increase in the estimated probable reserves from 1m ounces of gold to 4.1m ounces.

The orebody is 14 miles south of the main mine of Newmont's wholly-owned subsidiary, **Carlin Gold Mining**, in Nevada. New*mont estimates that 65m tons* of ore can be mined by open-pit methods at a low stripping ratio of about *2.2 tons of waste* to each ton of ore.

* * *

BP Minerals International is to take a 45 per cent stake in a *mineral exploration joint* venture in Norway with **Norsk Hydro**, Norway's biggest indus*trial company.* The venture's initial target is Troendelag County, and prospecting work will begin this summer.

Mr. Robert F. Anderson, president, told the annual meeting that the company expects soon to complete the sale of the 95 per cent-owned **Western Copper** in Arizona to **Phelps Dodge** for a pre-tax gain of $9.5m.

* * *

Israel's **Negev Phosphates** is to invest U.S.$19m (£8.4m) in the *financial year 1980/81 to increase* the handling capacity of a phosphate terminal at Ashdod Port from 2m to 6m tonnes a year, and to set up a new enrichment plant producing 500,000 tonnes of high-grade phosphate a year, reports **L. Daniel** from Tel Aviv.

The company expects profits for the year to reach Sh 206m (£10m), against Sh 62m for the past year.

Strike threat in Sweden

By Westerly Christner in Stockholm

SWEDEN'S union for salaried employees, PTK, issued a warning yesterday for a "total strike" against five of the country's largest companies, beginning on April 23.

The strike would affect Volvo, Saab, Atlas, Copco, *Boliden* and L. M. Ericsson. Sweden's entire merchant marine fleet within Western Europe would also be hit, as two maritime unions, the ship officers' and engineers' unions, are members of PTK. There would be a full ban on loading and unloading cargo.

The basis of the conflict is an offer of 40 per cent compensation for wage drift over a two-year period for the employers. The union wants total compensation. A Government mediating team is attempting to bring the sides together.

UK COMPANY NEWS

Last quarter pulls down Morgan Crucible

TAXABLE PROFITS of the Morgan Crucible Company for 1980 slumped from £14.79m to £10.03m—most of the fall coming in the last three months when earnings declined by £3.09m to £1.11m. Sales for the year to December 28 improved to £123.7m, compared with £113.29m.

The dividend is being maintained at 7.5p net with a same-again final of 3p.

Commenting on the results Mr. Ian Weston, the chairman, says in the last four months the UK recession became "a cascade." He points out that redundancy costs and an essential relocation of plant amounted to some £1m in the second half of the year—adding that redundancy costs in the first quarter of 1981 were not insignificant.

For the current year he says that orders, while wholly unsatisfactory, are showing slight signs of improvement. The UK decline in demand has continued in the first quarter but it now appears to be steadying with some signs suggesting that the group may be near to an end to the severe reduction in stocks in the automotive and consumer sectors, the chairman says.

Although the performance of the overseas companies continues to be reassuring, he says. Continental Europe is enduring a severe test in the form of the Polish crisis which must have at least short-term unpleasant effects on all EEC economies.

During the year the group's net borrowings rose by £4.6m—£3.8m of which was due to purchases of businesses for cash. The balance of £0.8m arose from trading activities and was after net capital expenditure of £7.5m.

The surplus included investment income of £199,000 (£327,000) and net finance charges which jumped by £1.02m to £2.95m.

Tax, less grants for capital expenditure, took £3.15m (£5.15m), leaving a net balance of £6.85m (£9.64m). Stated earnings per 25p share were down from 21.5p to 15.4p.

The attributable profit emerged at £6.43m (£9.5m) after minorities and preference dividends of £415,000 (£695,000). Last year's figure included an extraordinary credit of £549,000, against nil this time.

Current cost accounting reduces the pre-tax profit to £3.55m.

Morgan Crucible is an international group which supplies components and materials to industries throughout the world.

● comment

Morgan Crucible had an even worse fourth quarter than expected. Sales were flat and trading profit fell nearly two-thirds, with most of the damage in the UK. The special carbons division fell into loss because of the exceptional costs of abandoning the lighting carbons area and the thermic division suffered from the hard times in the high temperature process industries. Rowney had another bad year, partly because of poor management of stocks and probably ended up in loss depsite an encouraging Christmas season. Rocol was one of the few strong performers in the UK while overseas sales of refractories, ceramic fibres, crucibles and some electric carbons grew satisfactorily, particularly in Australia and Brazil. The CCA statement reveals an atributable profit of only £151,000 but an excessive cost-of-sales adjustment based on lagging indices rather than reality has been applied. The shares eased 3p to 140p yesterday but the fully taxed p/e of about 13 is still expecting a lot. Unless the long-awaited breakthrough on the Battersea site redevelopment occurs, the shares could be in for a quiet time. The yield on the maintained dividend is under 8 per cent.

Braby Leslie rationalisation

Administrative economies, improved marketing and production effectiveness and greater concentration on medium/long-term development are among the benefits expected from further rationalisation at Braby Leslie.

The operating units and subsidiaries have been formed into five divisions—packaging and metals, process engineering, aerospace and power, domestic products, civil engineering. Each division is represented on a new operations board, which is responsible to the main board for the trading activities of the divisions and their development.

Richards Leicester expands

Following an advance from £68,000 to £165,000 at midway, taxable profits of Richards (Leicester), structural and mechanical engineer and ironfounder, finished 1980 ahead at £293,374, compared with £154,818. Turnover improved from £5.63m to £6.47m.

After a tax credit of £196,342 (£65,162) net profit was £489,716 against £219,980 giving earnings per share of 24.5p (11p).

The dividend is unchanged at 4.3p net with a same-again final payment of 2.8p—the total will absorb £86,000 (same). The amount retained came through well ahead at £403,716 (£133,980).

Genl. Investors and Trustees

Taxable revenue of General Investors and Trustees, investment trust, improved from £1.74m to £1.75m for the year to end-January, 1981.

The final dividend is increased to 3.8p (3.5p), making a net total payment of 6p (5.9p including a special payment of 0.4p). Stated earnings per 25p share emerged higher at 7.04p (6.74p).

After tax of £652,350 (£687,179), preference stock dividends of £13,721 (same) and ordinary share dividend of £922,825 (£807,444), the retained balance was £130,412 (£128,443).

Group investments at year-end were valued at £33.63m (£29.37m) and the net asset value per share with prior charges at par, increased from 180.3p to 225.9p.

Ward White down £2m as interest costs double

ALMOST doubled interest costs of £1.8m sliced into the 1980 results from Ward White Group. Taxable profit of this footwear and engineering group finished down from a record £5.79m to £3.8m, with a fall in the second half from £3.14m to £2m. Sales climbed from £77m to £92m.

The current year has started at the same low level of activity seen in 1980 and it is difficult to be optimistic for an early improvement the company says. Even so it expects to benefit from the cut in interest rates.

The net final dividend is 2.8p for a maintained total of 4.2p.

Earnings per 25p share fell from 29.05p to 10.12p. Tax took £910,000 (£666,000) and there was an extraordinary debit this time of £546,000 relating to reorganisation and closure costs.

On a CCA basis pre-tax profit is reduced to £2.17m.

The directors say that in spite of long periods of short time working in most UK factories and of substantially higher interest charges, the UK subsidiaries made a satisfactory contribution to profits.

The overseas division again showed increased profits mainly due to the inclusion of the new subsidiary, Childs Corporation in the U.S., and Broderna Wedin in Sweden. But good results were also achieved in Ireland and Australia.

The figures do not include the trading profit arising from the sale of 3.5m shares in K Shoes.

● comment

Given last year's painful retail market, Ward White's pre-tax decline could have been much worse. UK footwear volume fell around 20 per cent and the group made about one-fifth of its staff redundant. But the first-time seven month contribution from Childs (in the States) was a useful £600,000. Likewise, the Wedin business in Sweden kicked in £300,000 on just four months of trading. Ward's engineering division sustained a small loss. The group was on a three-day week in many of its factories last year and is only now moving to a four-day week in some. The management, however, is following what seems to be a highly selective programme of getting out of tricky manufacturing operations and acquiring overseas distributors where it can. It has also made a £1.2m profit on the disposal of K Shoes' shares; this will appear in future p and l acounts. At yesterday's unchanged 62p, the shares trade on an historic multiple of nearly 11, which is not that high if the company recovers in the near-term. The yield on the maintained total is 10 per cent.

Provident Financial sees little sign of UK upturn

Lord Chelmer, chairman of the Provident Financial Group, yesterday told shareholders there was little sign of economic recovery in the UK and said he expected a prolonged period of low customer demand.

Speaking at the group's annual general meeting, Lord Chelmer welcomed the Budget reduction in MLR. But he believed "the understandable hesitation of our customers to commit themselves to significant expenditure is likely to be of greater importance during the next few months."

He said there was continued apprehension about job prospects, and customer demand in the first quarter of this year had been weak.

"In our credit companies, we are concentrating our efforts on maintaining and improving our collecting standards, on increasing the number of customers and on cost reduction.

"In most of our other activities, we are increasing our volume of business, while keeping costs under strict control. For real progress we need a more confident market," he said.

CAPE/ALTITUDE

Cape Scaffolding, a subsidiary of Cape Industries, has bought, for cash, Altitude Scaffolding a private company that hires and installs scaffolding equipment with branches at Liverpool and Manchester. The assets acquired are valued at £700,000.

Setback for Brooks Watson

TAXABLE profits of Dublin-based Brooks Watson Group have slumped from Ir£2.44m to £350,000 for 1980. Although the economic outlook is still bleak, prospects in the current year are improved, the directors state.

There were satisfactory increases in profits from food distribution, pharmaceuticals and construction. But there was a lower contribution from builders merchanting, and the group suffered losses in the DIY retailing operations—these have been closed—and the farm machinery and water and effluent treatment side.

Group sales improved from £110.43m to £125.16m during the year.

Because of a reduction in farm machinery stocks, the tax charge is £470,000 (£823,000), leaving a net loss of £120,000 against a profit of £1.62m—loss per share is given as 0.6p (9.44p earnings).

The dividend is cut from 3p to 1p net with a final payment of 0.65p.

After minority losses of £19,000 (£4,000) and an extraordinary debit of £427,000 (nil), the attributable figure was £528,000 compared with a £1.62m profit. Dividends will absorb £173,000 (£516,000).

SILKOLENE

Burnett and Halamshire Holdings has reduced its holding of ordinary shares in Silkolene Lubricants from 20 to 10 per cent by selling 146,000 shares to Brown Shipley and Co.

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Companies and Markets

BIDS AND DEALS

T W Ward spells out the logic in bid for Tunnel

Thos. W. Ward yesterday forecast an improved first half profit and a higher dividend when making its formal bid for **Tunnel Holdings**, the cement and specialist chemicals group.

Stressing what he called "the impeccable industrial logic" of Ward's offer for control of Tunnel, Mr. Peter Frost, Ward's chairman, said this would add some 250,000 tonnes a year of extra cement sales volume and £11m of revenue.

Ward already owns 25.8 per cent of Tunnel's shares, giving it 29.99 per cent of the votes. At yesterday's share price, its offer in cash and shares values the whole of Tunnel at £100m.

Tunnel repeated its view that the offer was too low and advised shareholders to take no action. The company will send shareholders its reasons shortly, along with an estimate of 1980-81 profits.

Cement accounts for around 70 per cent of the trading profits of both companies. Ward's cement works is at Ketton near Stamford in Lincolnshire; it also owns, with Tunnel, the Ribblesdale cement works in Lancashire.

"We believe that a combination of the cement activities of the two companies will result in significant additional profits which neither company can achieve on its own," said Mr. Frost in the formal offer document.

This also contained a prediction that Ward's first half profits to March 31, 1981, would "show an improvement" on the £7.26m earned in the same period of last year.

Mr. Frost declined to say any more about first half expectations, or to outline prospects for the second six months, apart from commenting that "we don't see a disaster." An interim dividend of 2.6p net (2.407p) is forecast, to be followed by a final of at least 4.6p (4.112p).

Estimating the cement market for London and the south-east at around 4m tonnes annually, Mr. Frost said a successful bid would enable this market to be re-entered in competition with Blue Circle Industries and Rugby Portland.

Together, Ward and Tunnel would account for about a fifth of the total UK market, he said. Neither company has any significant stake in the south-eastern market since Tunnel closed its West Thurrock works in 1976.

"We expect Tunnel profits to grow but believe that most of that growth will continue to come from cement rather than speciality chemicals or waste management," said Mr. Frost.

THF and Savoy High Court hearing begins

The High Court hearing of **Trusthouse Forte's** application for an order to convene separate meetings of the "A" and "B" shareholders of the **Savoy Hotel** group began in private yesterday.

The application—which is being made under Section 206 of the Companies Act—is being heard by Mr. Justice Nourse. The success of the application—which is being opposed by Savoy—is regarded as crucial to THF's takeover plan.

Both THF and Savoy have engaged Queen's Counsel to put forward their cases. The Savoy counsel is not expected to complete its submission to the court until late this afternoon. THF then has the right to reply so a decision on the application may not be reached until next week.

If THF is allowed to call the meetings it will seek to gain the approval of 75 per cent of the "A" shares to its bid scheme. If this is achieved the decision becomes binding on all "A" shareholders and the scheme can be presented to the High Court for approval. THF already has access to a large holding of the "A" shares (with 51.5 per cent of the company's votes). The Savoy directors and associates control up to 45 per cent of the votes through their large holding of the "B" shares.

NCC calls off talks with UNC

Mr. Graham Ferguson Lacey has called off the month-old engagement between NCC Energy in which he owns 42 per cent, and United Nuclear Corporation, the Delaware-based uranium extraction group.

He has "terminated discussions" with UNC and in their place he has "accelerated discussions" which might lead to closer ties between the UK smokeless fuel group he has been transforming into an energy development concern, and Simplicity Pattern Company. Those talks began on March 27 when he bought 5 per cent of Simplicity, since raised to 15.4 per cent.

NCC's shares have been suspended since March 6 when Mr. Ferguson Lacey first flew back to England with news of the merger talks with UNC. Yesterday the suspension was lifted and the shares promptly sank from 142p to 125p.

Today Mr. Ferguson Lacey is to hold a press conference at which he will explain his plans for Simplicity, of which he has become chairman of the executive committee, and NCC. Yesterday he was reported as saying that Simplicity had cash reserves of $92m (£42m) which it wished to use for diversification out of home dressmaking.

JAYPLANT TO BUY RANDSWORTH

The **Jayplant** Board has announced that a conditional contract was entered into on April 7, 1981 for the acquisition of all the issued capital of **Randsworth** of 54,850 £1 ordinary shares for 948,494 5p ordinary shares in Jayplant, credited as fully paid.

Randsworth is owned by Mr. N. Langley-Pope and Mr. H. Musophia who are directors of Jayplant. Accordingly the contract is conditional upon the Jayplant shareholders approving the acquisition and the increase of the authorised share capital of Jayplant, and upon suitable tax clearances. It is anticipated the deal will be completed before Jayplant's year end on May 31, 1981.

MEDICAL COMPUTER VENTURE STARTED

British Medical Data Systems is a new joint venture company set up by **BOC Computer Services** and **Shared Medical Systems Corporation**, an associate company of **SMS International**, the world-wide technology company based in the U.S.

The company has been formed to market the hospital administration and healthcare computing systems to the National Health Service, military and private hospitals.

Majority owned by BOC with 51 per cent of the holding, the new venture is being capitalised with an initial sum of £2m. This represents a significant move in BOC's continuing investment in its computing services business; other major companies within BOC Computer Services include Datasolve, Software Sciences and Knight Computer Services.

STANLEY GIBBONS PARTS SOLD

Letraset is slimming down its loss-making **Stanley Gibbons** subsidiary which it bought for £19m, by selling a large slice of its non-stamp activities.

Mapsellers, dealing in antique maps, is being bought by Mr. Bruce Marsden, a manager there, and **James (Norwich) Auctions**, while **Stanley Gibbon Medals** is being sold to Mr. Nimrod Dix, the present manager. Both activities are based in central London.

Stanley Gibbons has also stopped over-the-counter trading in banknotes, coins, and bonds, though trading will continue on a private treaty and auctioneering basis.

In February, Letraset said it proposed to close the costly Manhattan office of Stanley Gibbons.

HIRST ACQUIRES COMPUTER GROUP

Hirst and Mallinson, whose interests cover catering equipment, pharmaceuticals, business systems and textiles, is buying a supplier of computer based business systems called **Megabyte**.

In the year to January 31, 1981, Megabyte made a pre-tax profit of £54,000. Net tangible assets at that date totalled £65,000.

Hirst is paying an immediate £150,000 for Megabyte, based in Leeds, plus payments in 12 months and 24 months time of a sum equivalent to 75 per cent of the pre-tax profits in the financial years to end-January, 1982 and 1983.

INTERNATIONAL TIMBER

Jewson and Sons, subsidiary of **International Timber Corporation** has acquired the builders merchants operations of Siddall and Harding, trading at Launton, near Bicester.

A total of £300,000 is being paid for the fixed assets including an acre of freehold land, buildings and stocks.

STEETLEY BUYS CONCRETE PLANT

A subsidiary of Steetley Company, Steetley Construction Materials, has purchased the Hull ready mixed concrete plant owned and operated by British Fuel under the name of Good Havercroft (Hull).

The plant comprises a ready mixed concrete plant and truck mixers together with motorised barges for aggregate transportation. It will be integrated into the northern division of Steetley Construction Materials.

HONGKONG RUBBER

Hongkong (Selangor) Rubber has conditionally agreed to sell 370 acres of its estate in Malaysia to Syarikat Wandeerfull, which has majority local participation, for £2.48m cash.

A 10th of the sum was paid over on signing of the agreement. A further 30 per cent is due in October, with the rest to be paid equally next April and in October, 1982.

The deal depends on shareholders' approval, and that of the Malaysian Foreign Investment Committee and the UK Treasury. The Selangor state government will also have to consent to the change of use from agricultural to mining and residential.

BOND ST. FABRICS

The offer by **Auchinleck Investment** for **Bond Street Fabrics** has now been made unconditional. Acceptances so far total: ordinary shares—81.4 per cent, and convertible loan stock—45.2 per cent.

Lead Industries' profits plunge £10m: payout held

TAXABLE PROFITS of Lead Industries Group for 1980 plunged from £20.5m to £10.3m after interest charges sharply higher at £13.1m, compared with £8.8m, and depreciation which rose by £1.4m to £10.3m. Sales improved from £390.3m to £402m.

At the interim stage profits of the group, whose activities include smelting and fabrication of non-ferrous metals and the manufacture of chemical and paint products, were unchanged at £8.8m.

The directors warn that business activity in the early months of 1981 is still disappointing in most areas, and there are no convincing forecasts about the timing of any improvement.

They say current rationalisation and capital expenditure should help to overcome the problems of any further downturn and benefit the group as the British and U.S. economies improve.

They are maintaining the dividend of 9.66p net with a same-again final of 5.96p.

The surplus for the past year included a share of profit of associates of £11.3m (£14.3m) but was subject to tax, down from £7.9m to £2.3m. ACT amounting to £3.5m (nil) has been written off.

The net balance after minorities emerged at £7.6m (£12m) and stated earnings per 50p share after additional depreciation on current values, were 18.1p (28.8p), and after depreciation on historical values at 30.7p (41.3p). There was an extraordinary debit of £800,000 (nil).

On a CCA basis the pre-tax surplus is reduced to £4.9m (£14.4m restated).

Commenting on the results the directors say sales values were lower because of a substantial fall in the lead price but in total they were higher due to inclusion of a full year's figures from 1979 U.S. acquisitions.

They say that after reasonable profits during the early part of 1980, there were several months of very poor trading, both in the UK and the U.S. Although business was not quite so bad in the last quarter, there was no evidence of a real recovery, they add.

Over the year a high level of capital expenditure was maintained. A substantial reduction of the working capital in the UK was achieved and this minimised the adverse effect of high interest rates. Rationalisation had to be accelerated, some operations were closed and some others were maintained on short-time working.

● comment

At the trading level Lead Industries is weathering the recession relatively well. Lead prices have fallen by about a third which combined with depressed demand, most pronounced in the second half, has squeezed margins in the metals business. Tioxide, its titanium dioxide subsidiary, was a black spot with earnings adversely affected by the strength of sterling and high energy costs. But the main depressant was the high interest bill with income gearing at 56 per cent. Staff numbers have been trimmed by just over 10 per cent and stocks have been cut from nearly £87m to £68m. A speedy recovery to last year's earnings level looks some way off although there are some signs of recovery at Tioxide. Borrowings are unlikely to fall much this year, so even with some easing in rates the 1981 interest bill will again be formidable. At 152p the shares stand at a discount of 65 per cent to net asset value, and yield 10.6 per cent.

Improved payout despite setback at Midland Inds.

PRE-TAX profits of Midland Industries, engineer and repetition ironfounder, plunged from £2.5m in the previous 15 months to £92,000 in the year to December 31, 1980. Turnover was down from £23.04m to £22.03m. The final dividend is raised however, from 1p to 1.5p for a total of 2.6p against 2.4p previously on an annualised basis. Current cost accounting resulted in a pre-tax loss of £238,000.

The directors say the group is currently trading profitably and the first quarter of 1981 was significantly better than the third and fourth quarters of 1980. They say that while it would not be wise at present to make a forecast for the full year, the indications are that the group should show a considerable improvement during the period.

The foundry division, which is a major part of the group, is successfully continuing to develop new markets and products, but the engineering division is unlikely to make a proper contribution until there is an upturn in the economy. It has stabilised its position, however, and is expected to improve its performance during the second half.

The pre-tax figure was struck after depreciation of £932,000 compared with £804,000 for the previous 15 months, and interest charges of £877,000 (£547,000). After tax down from £124,000 to £98,000 and an extraordinary debit of £671,000 (£191,000), there was a loss of £677,000 (profit £2.19m). The retained deficit, after dividends, was £904,000 (profit £1.92m).

The extraordinary item represents the full cost of closure and redundancies in respect of MIL, the agricultural engineering company.

The dividend cost is reduced by £110,000 resulting from waivers by the chairman, his family and another director.

New holding company for Wm. Press

A SCHEME of arrangement, which will create a new holding company for William Press, the mechanical engineering contractor, was approved yesterday by Press shareholders.

William Press received votes representing 63,988,679 ordinary shares in favour of the scheme (92.2 per cent of those voting).

Mr. W. A. (Tony) Hawken, group chairman, clarified the position in regard to the use of any unissued share capital of the company as shown in the scheme of arrangement document sent to shareholders last month.

He said that under the scheme, the authorised capital of William Press Group will be £20m divided into 200m ordinary shares of 10p each of which £6.03m, divided into 60,277,446 ordinary shares of 10p each, will be issued and fully paid.

Under the Stock Exchange listing agreement, the company has given an undertaking that it will restrict any issue of ordinary shares, other than the issues made pro rata to all shareholders, to 25 per cent of the issued share capital unless the approval of shareholders at a general meeting is obtained.

The Board has also undertaken that further approval of shareholders in general meeting will be sought before more than 20m (in aggregate) of the shares remaining authorised, but unissued, after the scheme comes into effect are issued, except by way of capitalisation of reserves.

Tioxide £8.5m lower as UK side slumps into loss

UK operations of Tioxide suffered a turnround from a profit of £3m to a loss of £7.1m in 1980. This resulted in group pre-tax profits falling by £8.46m to £7.22m.

The company, which produces and sells titanium oxide and other titanium compounds, is jointly held by ICI and Lead Industries.

The directors report the group performed well in the first quarter. At midway profits were ahead £660,000 at £6.29m. However, a severe deterioration in European trading conditions led to a sharp fall in sales and profits for the rest of the year, in spite of continued good performance by the three companies outside Europe.

	1980 £m	1979 £m
External sales	176.60	174.68
Tioxide and subsids	167.76	163.15
Associates	8.84	11.53
Profit before tax	7.22	15.68
Tioxide and subsids.	6.65	15.84
Associates	0.57	*0.16
Tax	3.43	5.13
Profit after tax	3.79	10.55
Minority profits	0.97	0.78
Extraord. debit	4.70	—
Attributable loss	1.88	†9.77
Dividends	0.03	4.53
Loss for year	1.91	†5.24

* Loss. † Profit

Against this background and the business outlook, the group's Billingham works were closed. The UK workforce has been reduced by 25 per cent since the start of 1980 and provision for these changes have been included in extraordinary debits of £4.7m.

Current year outlook remains uncertain, the directors say. But action taken to reduce costs, designed to eliminate UK losses, will place the group in a good position to improve performance when the recession ends.

With the attributable loss at £1.9m (£9.77m profit), the dividend for 1980 has been passed. Last year a total 14.5p was paid.

The pre-tax profit on a CCA basis is stated at £1.9m (£11.36m). Historic earnings per share fell from 31.4p to 9p.

A professional valuation of certain operating assets of subsidiaries has thrown up a £78.7m surplus which, after adjusting for minority interest, has been credited to reserve.

SHARE STAKES

Provident Financial Group—Kuwait Investment Office disposed of 350,000 shares on March 12 and 25,000 shares on March 18.

Vantona Group—Norwich Union Insurance Group now holds 1.09m ordinary (5.08 per cent). Mr. D. Alliance, director, has disposed of 250,000 ordinary thereby reducing his interest to 2.48m (11.6 per cent). The disposal was made from the holding of N. Brown Investments by resolution of a sub-committee on which neither Mr. D. Alliance nor any member of his family was represented.

Sturla Holdings—Park Place Investments has acquired a further 100,000 ordinary bringing total holding to 1.1m (9.3 per cent).

Old Swan Hotel Harrogate—Disposals by directors as follows: Mr. David Simpson 3,000 shares at 57p on April 3. Mr. G. A. Wright 5,500 as gift to Terence G. Wright on March 24, 4,881 at 64p on April 5, 200,000 shares at 57p on April 6 and 20,000 at 57p on April 6.

A. and J. Mucklow Group—Allan J. Mucklow, director, sold 300,000 shares at 117p, reducing holding to 4.34 (8.368 per cent).

Bryant Holdings—Mr. A. C. Bryant advises that on January 29 204,544 Ordinary shares were transferred out of the I. M. Bryant settlement of which Mr. A. C. Bryant, director, and his wife are trustees.

Abingworth buys Suter rights

Abingworth has purchased rights to 1m new ordinary shares in nil paid form of Suter Electrical. Abingworth has confirmed it intends to subscribe for the new shares which represent 5.41 per cent of the ordinary and deferred ordinary share capital of Suter as enlarged by a recent rights issue.

Abingworth is a private investment company whose shareholders include a number of leading British and European financial institutions.

FEB earns and pays more

ON SALES up from £12.53m to £14.24m, 1980 profits of FEB International improved at the pre-tax level to £772,000, compared with £618,000. At mid-term, they were £130,000 higher at £354,000.

A final dividend of 2p (1.575p) brings the total up to 3p net, a 22 per cent increase over last time's 2.45p. A scrip issue of one new A share for every two ordinary or two A is also proposed.

The pre-tax surplus was struck after depreciation of £228,000 (£176,000) and interest charges of £222,000 (£141,000).

Tax, after a stock relief credit of £283,000 (£112,000) took £55,000, against £219,000, leaving a net balance of £717,000 (£399,000).

Stated earnings per 10p share emerged at 15.73p (8.75p) including the stock relief adjustment, and 9.52p (6.29p) excluding.

Net tangible assets per share are given as 58.91p (46.19p).

On a CCA basis the pre-tax profit is reduced to £640,000 (£394,000).

LIQUIDATION OF AUS. TRUST

Australian and International Trust is to pay a terminal dividend of approximately all the distributable income at the rate of 2.80p per share on April 24 to the members of the company whose names appeared on the register at the close of business on March 17.

EUROPEAN OPTIONS EXCHANGE

Series		April Vol.	April Last	July Vol.	July Last	Oct. Vol.	Oct. Last	Stock
ABN C	F.260	5	30 A	—	—	—	—	F.288
ABN C	F.280	12	8			—	—	"
ABN C	F.300	46	1	9	5.50	—	—	"
ABN C	F.320	—	—	1	1.50	—	—	"
AKZO C	F.17.50	—		102	5.70	—		F.23.10
AKZO C	F. 20	3	2.90	32	3.40	13	4.30	"
AKZO C	F.22.50	171	0.80	3	1.90	—	—	"
AKZO C	F.25	105	0.10	235	1.10	25	1.60	"
AKZO P	F.22.50	—	—	20	0.30	—	—	"
AKZO P	F.25	15	1.70			—	—	"
AMRO C	F.60	—		13	1	—	—	F.56.20
KODA C	F.80	1	2.04	1	6	—	—	F.81
HEIN C	F.50	3	6 B	—		—	—	F.56.10
HEIN C	F.55	72	1.20	2	3.70 A	10	5.20	"
HEIN C	F.60	10	0.40	26	1.60	15	3	"
HEIN P	F.55	10	0.40	5	2.50	—	—	"
HEIN P	F.60		—	5	4.50	65	5.50	"
HOOG C	F.12.50	7	7.40	—		—	—	F.19.70
HOOG C	F.15	60	5.40 A	7	5.30	—	—	"
HOOG C	F17.50	3	2.60 A	—		60	4	"
HOOG C	F.20	45	0.50	2	1.80	61	2.40 A	"
IBM C	$60	—	—	5	4	—	—	$60¼
IBM C	$65	—		—	—	4	4	"
IBM P	$60	—	—	5	2½	—	—	"
IBM P	$65	3	5	—		—	—	"
KLM C	F.70	46	27	43	27.50 A	—	—	F.96.50
KLM C	F.80	7	16.80	9	17 A	10	27 B	"
KLM C	F.90	26	7.50	21	11.50 A	—		"
KLM C	F.100	91	2.20	8	2.50	1	11	"
KLM C	F.110	—		56	3.50	—	—	"
KLM P	F.70	—	—	—		1	2.50	"
KLM P	F.80	—		11	2.30	—	—	"
KLM P	F.90	10	0.70	—	—	—	—	"
KLM P	F.100	17	5 B	2	9	—	—	"
NATN C	F.110	5	10.23	—	—	—	—	F.119.90
NATN C	F.115	5	5.57	—				"
NATN C	F.120	28	1.10	15	4.50	4	7.20	"
NATN C	F.125	97	0.30	21	2.50			"
PETR C	Fr.5000	3	50		—	—	—	Fr.4550
PHIL C	F.15	33	5.50 A	148	5			F.20.80
PHIL C	F.17.50	126	2.30	644	3.40	175	3.70	"
PHIL C	F.20	565	0.90	136	1.50	241	1.80 A	"
PHIL C	F.22.50	—	—	640	0.70	263	0.90	"
PHIL P	F.17.50	—		10	0.30	5	0.40	"
PHIL P	F.20	30	0.50	153	1	40	1.10 B	"
PHIL P	F.22.50	—	—	100	2.70 B		—	"
POLA C	$30	13	1½	13	3½	—		$30½
RD C	F.80	46	10.30A	—		—	—	F.90
RD C	F.85	26	5.50				—	"
RD C	F.90	170	1.80	23	4.10	11	6	"
RD C	F.95	142	0.40	52	2.40	—		"
RD C	F.100	133	0.20	65	1.20	14	3.40	"
RD C	F.110			30	0.70	2	1.40	"
RD C	F.120			25	0.20	—	—	"
RD P	F.80	40	0.10	—	—		—	"
RD P	F.85	127	0.40	—		—	—	"
RD P	F.90	647	1.40	38	4.90	22	6.50	"
RD P	F.95	132	5.00	49	5 B	—	—	"
RD P	F.100	515	10	13	15	—	—	"
RD P	F.110	29	20.50	3	22.50	—	—	"
ATT C	$50	2	4	—	—	—	—	$54⅜
ATT C	$55	20	½	—	—	—	—	"
UNIL C	F.135	2	5.60	—		—	—	F.139.60
UNIL C	F.140	—	—	4	5.80	5	4	"
UNIL P	F.125	—	—	10	1	—	—	"
EXON C	$70	15	½	—	—	—	—	$68⅞
		May		Aug.		Nov.		
MANN C	DM.130	10	3	—	—	—	—	DM139
MANN C	DM.140			12	3	—	—	"
SIEM C	DM.260	50	1.30 A	13	5.50	—		DM256
SLUM C	$110	—	—	—		1	9	$101½
VW C	DM.160			3	3.50 A		—	DM158.50
VW C	DM.170	6	1.40	13	3.50	—	—	"

TOTAL VOLUME IN CONTRACTS 7915

A=Asked B=Bid C=Call P=Put

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Extract from the Statement by the Chairman Sir Robert Fairbairn on the Report & Accounts of the Clydesdale Bank Limited for the year to 31st December 1980.

The Year's Results

The trading profit of the Bank and its subsidiaries for the year *ended 31st December 1980* was £24.124m and the Bank's share of its associated company's profit amounted to £0.361m giving a total profit before taxation of £24.485m compared with £30.859m for the previous year. This was a decrease of approximately 20½% and after *a charge for taxation amounting to* £10.332m, profit after taxation was 10½% lower at £14.153m."

"The Board's recommendation for a final dividend of 15½%, to be paid on 28th April 1981, together with the interim dividend of 13% paid on 5th August 1980 will *give a total payment of 28½%* compared with 26% for the year 1979. These payments leave historical cost retentions of £12.324m, £1.3m lower than for 1979. In real terms however the retention is very much lower at £5.631m as shown in the current cost profit and loss account."

"Total assets of £1.626m at 31st December 1980 were 16.6% higher than at the end of 1979. Liquid assets were £545 representing *about 36% of public liabilities*. Demand for lending which had been at a high level during 1979 continued throughout 1980 despite the unprecedented high cost of borrowing reflecting the difficult economic conditions, and at the end of the year total advances to customers, *less provisions, at* £994m were 19% higher than a year earlier. At 31st December 1980 deposits totalled £1,297m, an increase of 18½%, but during the *year there was a significant drop* in the proportion of deposits held on current account. Notes in circulation increased by £18m to £97.5m."

"*In the Budget proposals*, the Chancellor introduced a once-and-for-all capital levy on the Clearing Banks. *This is a dangerous* precedent and a severe blow to the banks as there have been no convincing arguments for such a levy advanced by either the *Government or by the banks'* critics."

Banking Trends

"It has become obvious in recent years *that* prolonged periods of high inflation have made investors and depositors more aware of the need to protect the value of their savings as far as *possible. To retain an adequate* flow of funds for our borrowers we have to compete more vigorously for deposits than ever before, and not just with other banks but with *other institutions* who have succeeded in attracting a growing share of the available market. Borrowing patterns have been changing too with more of our loans being made over longer *terms*."

The trend by many employers and employees is to have wages and *salaries paid direct to a* bank account. There are substantial savings to be made from increasing the use of this medium rather than the traditional *methods of paying in cash*, not only from an administrative point of view but also from the greater *safety and security inherent in our* services."

"Pressures from overheads and operating costs have been especially severe over the past *year but we have managed to* retain our "No Service Charge" policy for personal Current Account customers who keep their account in credit. The increase in the volume of business flowing from this attraction has, we feel sure, justified our decision."

AutoBank Development

"To cope with the growth in the demand for our services, and to provide improved facilities consistent with market requirements, we are pressing ahead satisfactorily with the automated systems required in our 24 Hour *AutoBank cash dispensers and the* teller terminals which eliminate so much paper work. With 60 or so AutoBanks already operating we have been able to take our services *where they are most needed*, having installed a number in Universities and in one very successful "lobby banking" experiment attached to our new *computer administrative building* in Glasgow. We believe this is the first such location in Scotland and a development which we may well extend."

"Around two-thirds of our Branches have been equipped with teller terminals which have already demonstrated their value, in improving efficiency. Progress towards automated banking has kept pace with the growth in the size of our customer base and, whilst we recognise the value or personal contact, there is no doubt that the nature of many people's financial needs can most quickly and cheaply be met by these *advanced electronic systems*. More time should therefore be freed to deal with the more complex aspects of our other services."

Premises

"The completion of the *largest part of the redevelopment* of Head Office was achieved in 1980 and only the last phase of the section in Buchanan Street remains to be finished. The result has been most pleasing, providing greatly improved communication amongst our numerous departments *central to the administration* of the Bank."

"The programme of Branch improvement and extension was also kept in motion last year with some fifteen major and thirty-two lesser projects being completed."

Operating Environment

"*Bank borrowing* has traditionally been used to cover short term fluctuations between income and expenditure but we are conscious of the high incidence of borrowing which is likely to be of a much longer term nature as the period of economic recovery takes longer to appear."

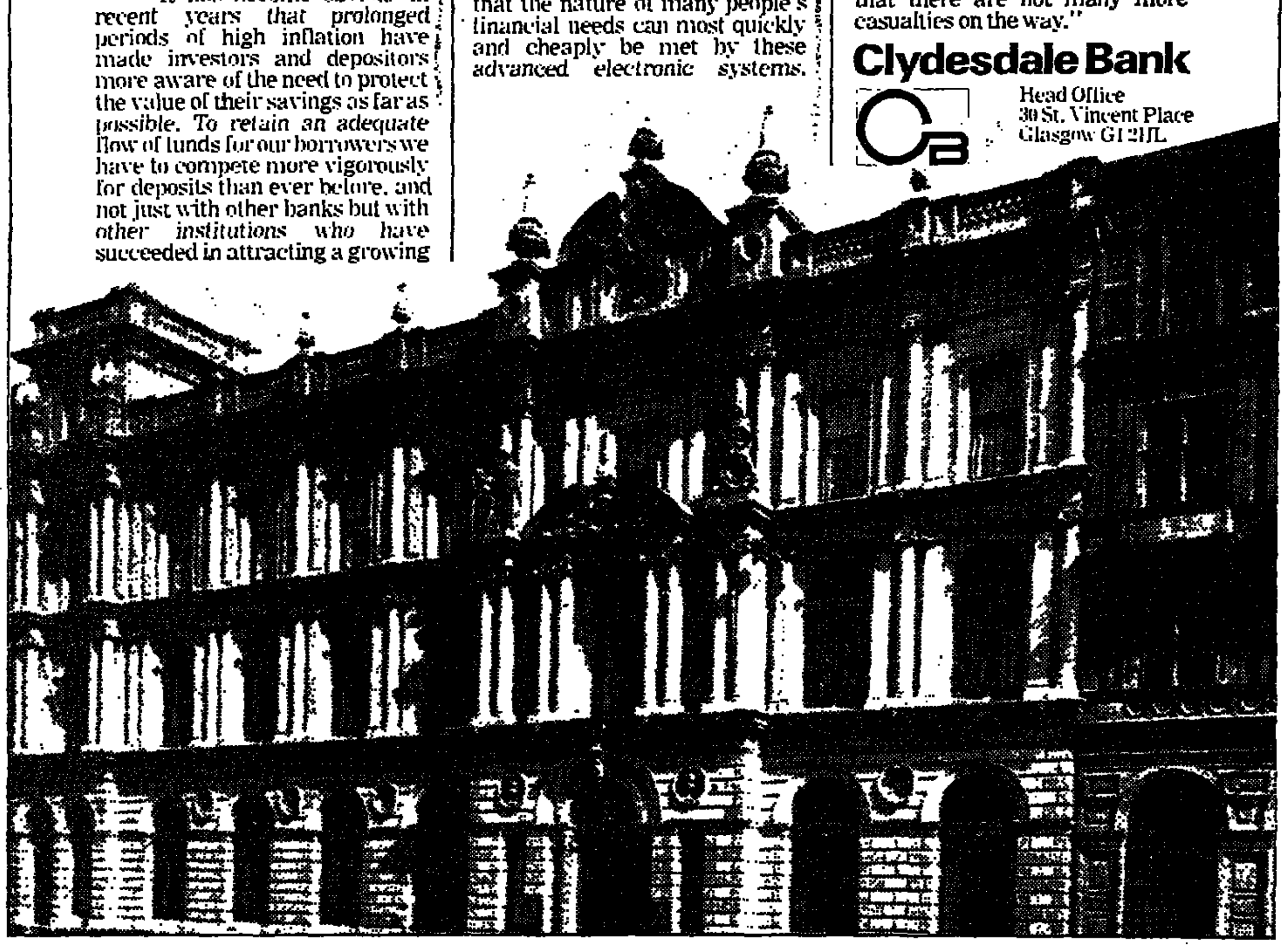
"Our help is being extended over virtually all industries either by lending more or by extending the period of repayment, and *sometimes both. However*, the whole picture is by no means one of gloom and despondency. Many new businesses continue to emerge to exploit gaps in markets and to take advantage of opportunities. Since the overwhelming majority of enterprises existing and developing in Scotland fall within the category of small businesses, this is a market we know well and we are alive to its needs."

Immediate Outlook

"Maintaining a minimum level of activity to ensure survival will be the aim of many companies so that they are *not sqeezed out of* markets entirely before economic resurgence emerges. We shall continue to give support as far as we can in cases where there is *promise of eventual recovery and* we must hope in the meantime that there are not many more casualties on the way."

Clydesdale Bank

Head Office
30 St. Vincent Place
Glasgow G1 2HL



Stewart Wrightson hit by insurance broking

A FALL from £10.35m to £7.39m in pre-tax profits is reported by Stewart Wrightson *Holdings for* 1980. Turnover of this holding company with interests in insurance, shipping and *air broking* and rural land use, rose from £71.24m to £74.51m.

The directors *say* that *although* there are signs of improvement in premium rate levels in certain sections of the market, and exchange rates have moved in the company's favour, the general environment remains difficult. They state that it would be unwise to expect 1981 to be other than a difficult year.

The pre-tax figure was after adding investment income of £5.78m (£5.13m), associates share of £115,000 (£223,000) and deducting interest of £1.63m (£901,000).

After tax, down from £4.4m to £3.37m, minorities of £691,000 (£792,000), and after deducting extraordinary items of £347,000 (£880,000) the attributable balance was £2.98m (£4.3m).

Profits retained were considerably lower at £787,000 (£2.11m). *Stated earnings per 20p share* were 18p (28.3p), fully diluted before extraordinary items.

The final dividend is unchanged at 8.15p for a same-again 12p.

Commenting on the year's *results, the chairman says pre-tax* profits from insurance activities amounted to £5.1m, down from £8.69m. Worldwide insurance broking income rose 6 per cent from £43.86m to £46.28m, but profits fell sharply from £6.42m to £2.51m.

Severe competition between insurers for business in all markets, combined with the recession, provided a difficult *background for world-wide* insurance broking operations.

Galbraith's achieved excellent *results with an increase in ship*-broking profits, up 46 per cent from £1.1m to £1.6m. The ship operating losses accruing to Galbraith's on three oil tankers sub-chartered to Bergen shipping partners was £174,000 (£473,000).

Profit of Instone Air Transport fell substantially. Turnover declined as a result of over-capacity in the aviation industry, and there were *initial* costs associated with the opening of the company's branch office in the U.S.

Profit of Fountain Forestry once again increased, but this *result was adversely affected* by trading losses of farming interests up to the date of disposal. Profit *rental from ownership of the* lease of Fountain House increased to £1.1m.

● comment

A fall in pre-tax profits of 29 per cent at **Stewart Wrightson** *represents the worst of the in*surance brokers' results of the latest reporting season. The figures were more than £500,000 below most analysts' expecta*tions. Stewart Wrightson's ratio of expenses to brokerage income is higher than most brokers in* the sector, running out at over 90 per cent in the 1980 financial *year. With expenses rising at* 14 per cent in the last financial year and brokerage at only 5.5 to 6 per cent in sterling terms Stewart Wrightson was feeling the squeeze more than most. International brokerage business placed in London, other than business arising from the U.S., was loss making. Non-broking activities, such as insurance company underwriting and ship-broking are coming to represent a greater proportion of group earnings. Meanwhile the group is carrying the problematical ship operating activities. The current year is expected to be difficult. The shares, at 226p, down 3p, and yielding 8 per cent, on a *maintained dividend* covered 1½ times, before extraordinary items could remain a dull market.

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether dividends are interims or finals.

TODAY

Interims:—F. Austin (Leyton).

Finals:—Brown Boveri Kent, Chepstow Racecourse, First Chicago Corporation, Fothergill and Harvey, Lyle Shipping, Montagu Boston Investment Trust, F. Miller (Textiles), Rock Darham, Supra, Triplevest.

FUTURE DATES

Interims:—	
Ingall Industries	Apr. 14
London and Prov. Shop Centres	May 6
McKechnie Brothers	Apr. 23
Finals:—	
Astbury and Madeley	Apr. 15
Benford Concrete Machinery	Apr. 14
Beradin Rubber	Apr. 13
Clarke (Clement)	Apr. 28
Electrical and Industrial Secs.	Apr. 23
Ellis and Goldstein	May 13
Hewden-Stuart Plant	Apr 16
Lilleshall	Apr. 22
Websters	Apr. 22

Substantial rise for W. Sindall

A SUBSTANTIAL increase from £216,482 to £413,079 in pre-tax profits is reported by William Sindall, building and civil engineering contractor, for the year to end December, 1980. Turnover rose from £20.51m to £29.35m.

The dividend is increased by 1p to 5.5p, and Mr. H. D. R. Ridgeon, the chairman, and Mr. F. A. Ridgeon have waived their rights to dividends amounting to £25,587.

The pre-tax figure was after depreciation up from £252,014 to £292,470. There was a tax credit of £11,167 (charge £117,422), deferred tax releases of £729,581 (£238,822) and a de*duction for a special provision* (gross) for possible but contested liability of £304,606 (nil), *leaving* £849,221 compared with £339,882.

Stated earnings per 25p share, *excluding deferred tax releases* and special provision, improved from 10.106p to 42.425p.

General & Commercial improvement

The year to February 28, 1981 resulted in pre-tax profits advancing from £735,118 to £827,375 at General & Commercial Investment Trust.

The result was struck after administration expenses of £57,693 (£46,689) and interest of £50,588 (£94,240). It was before tax of £282,511 (£245,738). Gross revenue for the period expanded *from* £876,047 to £935,656.

Earnings per 25p share are shown ahead from 8.77p to 9.8p and the dividend is stepped up from 9.07p to 9.35p with a final of 5.35p net.

The net asset value per share at February 28 stood at 234.2p (204.9p).

Ruberoid shows 27% upsurge

TAXABLE profits of **Ruberoid**, the building *products, specialist* sub-contracting, paper and plastics group, increased 27 per *cent, from £1.78m to a record* £2.27m in 1980 on turnover 23 per cent higher at £45.21m *(£36.65m)*.

Last year was the fifth consecutive year of profit growth, and Mr. Thomas Kenny, chairman, says group earnings have doubled in two years and improved five-fold since 1975.

After the first six months, group profits *had risen* from £559,000 to £805,000.

The Board has proposed an increased final dividend of 2.65p (2.15p), raising the net total payment of 3.75p (3.10p).

The pre-tax surplus, which was after interest received of £26,000, against a charge last time of £116,000, and a share of associated *company profit of* £290,000 (£402,000), was reduced to £1.33m (£863,000) on a current *cost basis*.

Tax took £1.07m (£949,000), including deferred taxation transferred to reserves of £335,000 (£303,000), leaving attributable profits 44.5 per cent up at £1.2m (£829,000).

Earnings per 25p share *increased from 7.99p to 11.55p* after tax and were up from 17.15p to 21.85p before tax.

Mr. Kenny says the group's year-end cash balances were £1.54m, *fractionally below* the previous year's level.

And he reports that in December 1980 Ruberoid properties were independently valued giving rise to a surplus of £1.64m which will be reflected in reserves. Including the *surplus on revaluation*, net assets per share were 109p.

Commenting on the performance of the group's separate divisions, Mr. Kenny says building material sales increased 18 per cent to £25m and profits improved 46 per cent to £2.58m; contracting profits increased 22 per cent to £848,000; but the plastics division felt the full force of the recession with profits falling to £9,000.

Looking to the future, he says *the group will continue its search* for new overseas markets after increasing exports last year by *21 per cent to £3.4m*.

And he stresses that the company aims to broaden its base by expanding into near-related markets. Acquisitions, adds Mr. Kenny, may have a part to play.

Pre-tax fall at Clarke Nickolls

Gross revenue of Clarke Nickolls and Coombs for 1980 rose from £1.78m to £2.39m. However, pre-tax profits showed a £98,428 decline at £844,158.

There was a tax *credit* this time of £474,748, against a charge of £399,799, resulting in *stated earnings per 25p share* rising from 9.95p to 25.08p.

The final dividend, of this property development and investment company, is 2.25p net, lifting the total payment from 3.5p to 4p.

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CURRENCIES, MONEY and GOLD

Dollar advances

Dollar advanced in uncertain foreign exchange trading. The Polish situation retreated into the background, but nervousness about the possibility of Soviet intervention may have encouraged the general movement into the dollar. Interest rates were the major factor however, particularly the *upward* trend in Eurodollar interest rates.

Sterling was initially quite firm but lost ground ahead of the weekly announcement of Bank of England *Minimum* Lending Rate. Latest money supply figures have tended to cast doubts on recent speculation of an early cut in MLR, and the pound showed little change for most of the day after the news that MLR was unchanged.

European currencies lost ground to the dollar, but there was little change within the European Monetary System. The Belgian franc weakened slightly, and remained well outside its alarm bell divergence limit. The D-mark weakened, but remained *the strongest* member of the system.

DOLLAR — trade weighted index (Bank of England) rose to 101.4 from 100.6. Demand from U.S. *markets* pushed the U.S. *currency to a high point of* DM 2.1500 against the D-mark, before it closed at DM 2.1405, *compared* with DM 2.1330. The dollar showed a general improvement, but finished below its best levels of the day, rising to SwFr 1.9510 from SwFr 1.9440 against the Swiss franc, and to Y213.90 from Y213.30 in terms of the Japanese yen.

STERLING — trade weighted index (Bank of England) fell to 99.2 from 99.4, and stood at 99.2 at noon and in the morning. The pound opened at $2.1940-2.1950 and rose to a peak of $2.2010-2.2020, before easing to $2.1920-2.1930 at noon. The *strength of the dollar pushed* sterling down to a low of $2.1860-2.1870 in the afternoon, and it *finished at $2.1945-2.1955, a fall* of 80 points on the day.

D-MARK—One of the strongest *members of the European Monetary System, helped by a sharp rise in West German interest* rates. Even higher U.S. interest rates and East/West tension over Poland have depressed the *German currency against the* dollar however — The D-mark weakened against most currencies at the Frankfurt fixing in very quiet trading. The dollar's slight rise was partly a reaction to Wednesday's decline, although firmer Eurodollar interest rates also helped the U.S. currency. The dollar was fixed at DM 2.1366 compared with DM 2.1293 previously without any intervention by the Bundesbank. There was also no indication of intervention by the German central bank in the open market, with the dollar continuing to advance during the afternoon. Sterling rose to DM 4.6860 from DM 4.68 at the fixing, but the Swiss franc eased slightly to DM 1.0972 from DM 1.0973. Among EMS currencies the French *franc fell to* DM 42.3750 from DM 42.40 per 100 francs, but the Dutch guilder improved to DM 90.29 from DM 90.225 per 100 guilders.

JAPANESE YEN — Remaining fairly firm thanks to Japan's strong economic performance, but slightly weaker against the dollar in recent weeks following the mid-March cut in the Japanese discount rate—The yen eased slightly in moderate *Tokyo trading, with the dollar* closing at Y213.80, compared with Y213.40 on Wednesday. The *U.S. currency opened at* Y213.90, and fell to a day's low of Y213.45 in the morning after an initial demand to cover commercial needs had petered out. Activity in the afternoon was quiet, with the dollar recovering slightly.

THE POUND SPOT AND FORWARD

April 9	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	2.1860-2.2020	2.1945-2.1955	0.60-0.70c dis	−3.55	1.85-1.95dis	−3.46
Canada	2.5940-2.6125	2.6025-2.6035	1.00-1.10c dis	−4.84	2.95-3.15dis	−4.69
Nethlnd.	5.18¾-5.22¾	5.20¾-5.21¾	1c pm-par	1.15	2¾-1¾ pm	1.44
Belgium	76.55-77.25	77.15-77.25	50-60c dis	−8.55	100-115 dis	−5.57
Denmark	14.75-14.81	14.78-14.79	1-2¼ore dis	−1.47	8½-10 dis	−2.47
Ireland	1.2630-1.2915	1.2870-1.2885	0.26-0.38p dis	−2.98	0.88-1.01dis	−2.93
W. Ger.	4.67½-4.71½	4.69½-4.70½	¼pf pm-½ dis	−0.32	¼-¾ dis	−0.21
Portugal	126.10-127.00	126.50-126.70	par-75c dis	−3.55	40-200 dis	−3.79
Spain	190.20-191.20	190.95-191.15	65-95c dis	−5.02	200-260 dis	−4.81
Italy	2,335-2,347	2,346-2,347	11½-13¾ lire dis	−6.52	39½-42½ dis	−6.99
Norway	11.92-11.99	11.95-11.96	1¾ore pm-¼ dis	0.63	2¾-¾ pm	0.46
France	11.05½-11.11½	11.10-11.11	½-1½c dis	−0.81	2-3 dis	−0.90
Sweden	10.19-10.25	10.22½-10.23½	2½-3½ore dis	−3.66	8½-9½ dis	−3.62
Japan	465-472	469-470	2.00-1.70y	4.73	5.60-5.30 pm	4.64
Austria	33.15-33.35	33.30-33.35	3gro-1 dis	0.36	7 pm-2 dis	0.30
Switz.	4.26-4.30	4.28-4.29	2-1c pm	4.20	4½-3½ pm	3.62

Belgian rate is for convertible francs. Financial franc 79.95-80.05. Six-month forward dollar 3.90-4.00c dis, 12-month 6.20-6.40c dis.

THE DOLLAR SPOT AND FORWARD

April 9	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	2.1860-2.2020	2.1945-2.1955	0.60-0.70c dis	−3.55	1.85-1.95dis	−3.46
Ireland†	1.7010-1.7110	1.7010-1.7030	0.05-0.15c dis	−0.70	0.25-0.35dis	−0.70
Canada	1.1841-1.1863	1.1850-1.1853	0.27-0.32c dis	−2.99	0.48-0.53dis	−1.70
Nethlnd.	2.3660-2.3790	2.3765-2.3775	1.10-1.00c pm	5.31	3.02-2.92 pm	5.00
Belgium	34.92-35.18	35.16-35.18	5-20c dis	−4.28	5-20 dis	−1.43
Denmark	6.7005-6.7625	6.7460-6.7475	0.90-0.40ore pm	1.16	1.60-1.10 pm	0.80
W. Ger.	2.1350-2.1500	2.1400-2.1410	0.60-0.54pf pm	3.20	1.66-1.60 pm	3.05
Portugal	57.50-57.80	57.65-57.80	15c pm-15 dis	—	30pm-40dis	−0.35
Spain	86.70-87.10	87.00-87.10	5-15c dis	1.38	10-25 dis	−0.80
Italy	1,063-1,083	1,066-1,067	2½-3½ lire dis	−3.23	10-11 dis	−3.94
Norway	5.4425-5.4550	5.4495-5.4515	2.00-1.50ore pm	3.85	6.30-4.80 pm	3.71
France	5.0450-5.0695	5.0590-5.0610	1.15-1.05c pm	2.61	2.90-2.65 pm	2.20
Sweden	4.6550-4.6615	4.6600-4.6615	par-0.20ore dis	−0.26	0.20-0.40dis	−0.26
Japan	213.25-214.25	213.85-213.95	1.60-1.45y pm	8.55	4.35-4.20 pm	7.99
Austria	15.12-15.20	15.18½-15.19¾	5.10-3.80gro pm	3.53	15.75-12.25pm	3.70
Switz.	1.9420-1.9630	1.9505-1.9516	1.20-1.10c pm	7.07	3.43-3.33 pm	6.83

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency.

CURRENCY RATES

April 8	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	12	0.553590	0.541653
U.S. $	13	1.22050	1.19489
Canadian $	16.74	1.44605	1.41415
Austria Sch.	6¾	18.3382	17.9472
Belgium F.	16	42.4246	41.4715
Danish K.	11	8.15233	7.97527
D mark	7½	2.59149	2.53555
Guilder	9	2.87306	2.81037
French Fr.	9½	6.11532	5.98220
Lira	19	1290.68	1263.29
Yen	6¼	259.844	254.760
Norwgn. Kr.	9	(un)	6.47211
Spanish Pts.	8	105.162	102.999
Swedish Kr.	12	5.66275	5.54726
Swiss Fr.	4	2.56191	2.31055
Greek Dr'ch.	20½	—	61.8852

CURRENCY MOVEMENTS

April 9	Bank of England Index	Morgan Guaranty Changes%
Sterling	99.2	−27.0
U.S. dollar	101.4	−3.2
Canadian dollar	86.4	−17.3
Austrian schilling	115.8	+22.6
Belgian franc	107.6	+9.4
Danish kroner	89.4	−10.6
Deutsche mark	120.7	+40.5
Swiss franc	134.7	+75.0
Guilder	112.2	+15.8
French franc	86.5	−9.7
Lira	59.4	−54.9
Yen	143.2	+38.9

Based on trade weighted changes from Washington agreement December, 1971. Bank of England Index (base average 1975=100).

OTHER CURRENCIES

April 9	£	$		£ Note Rates
Argentina Peso	6690-6700	3050-3060	Austria	30.00-33.40
Australia Dollar	1.8970-1.9010	0.8650-0.8655	Belgium	79.00-79.80
Brazil Cruzeiro	169.82-170.83	77.90-78.29	Denmark	14.68-14.83
Finland Markka	8.9872-9.0066	4.1070-4.080	France	11.00-11.10
Greek Drachma	112.536-115.444	52.05-52.25	Germany	4.67-4.71½
Hong Kong Dollar	11.71-11.73	5.3470-5.3500	Italy	2280-2340
Iran Rial	166.2*	75.40*	Japan	469-475
Kuwait Dinar (KD)	0.600-0.606	0.2750-0.2752	Netherlands	5.17-5.22
Luxembourg Frc.	77.15-77.25	35.16-35.18	Norway	11.90-12.02
Malaysia Dollar	5.045-5.057	2.3045-2.3065	Portugal	123-126
New Zealand Dlr	2.4190-2.4240	1.1025-1.1035	Spain	183¼-195
Saudi Arab. Riyal	7.32-7.38	3.3495-3.3515	Sweden	10.19-10.29
Singapore Dollar	4.5950-4.6070	2.0985-2.1005	Switzerland	4.25½-4.30
Sth African Rand	1.7700-1.7720	0.8065-0.8075	United States	2.18½-2.20½
U.A.E. Dirham	8.02-8.08	3.6725-3.6745	Yugoslavia	78-81

Rate given for Argentina is free rate. *Selling rate.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU April 9	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	40.7985	41.4979	+1.71	+1.71	±1.5361
Danish Krone	7.91917	7.98624	+0.85	+0.85	±1.6413
German D-Mark	2.54502	2.53690	−0.32	−0.32	±1.1386
French Franc	5.99526	5.92598	−0.15	−0.15	±1.3638
Dutch Guilder	2.81318	2.80973	−0.12	−0.12	±1.5159
Irish Punt	0.685145	0.694395	+1.35	+1.35	±1.6688
Italian Lira	1262.92	1261.64	−0.10	−0.10	±4.1116

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

EXCHANGE CROSS RATES

April 9	Pound Sterling	U.S. Dollar	Deutschem'k	Japan'se Yen	French Franc	Swiss Franc	Dutch Guild'	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	2.195	4.700	469.5	11.105	4.285	5.213	2347.	2.603	77.20
U.S. Dollar	0.456	1.	2.141	213.9	5.059	1.952	2.375	1069.	1.186	35.17
Deutschemark	0.213	0.467	1.	99.89	2.363	0.912	1.109	499.3	0.554	16.43
Japanese Yen 1,000	2.130	4.675	10.01	1000.	23.65	9.137	11.10	4998.	5.544	164.4
French Franc 10	0.900	1.977	4.232	422.8	10.	3.859	4.694	2113.	2.344	69.52
Swiss Franc	0.233	0.512	1.097	109.6	2.592	1.	1.216	547.6	0.607	18.02
Dutch Guilder	0.192	0.421	0.902	90.07	2.130	0.822	1.	450.2	0.499	14.81
Italian Lira 1,000	0.426	0.935	2.003	200.1	4.733	1.826	2.221	1000.	1.109	32.90
Canadian Dollar	0.384	0.843	1.805	180.4	4.266	1.646	2.002	901.5	1.	29.66
Belgian Franc 100	1.295	2.843	6.088	608.2	14.38	5.551	6.752	3040.	3.372	100.

FT LONDON INTERBANK FIXING (11.00 a.m. APRIL 9)

3 months U.S. dollars		6 months U.S. dollars	
bid 15 5/8	offer 15 3/4	bid 15 9/16	offer 15 11/16

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

EURO-CURRENCY INTEREST RATES (Market closing Rates)

April 9	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Belgian Franc Convertible	Japanese Yen
Short term	12-12¼	15⅝-15⅞	16½-17½	9 1/16-9 5/16	7 13/16-8 1/16	11⅛-11⅜	12 1/16-12⅜	17-19	22-24	5¾-6¼
7 days' notice	11¾-12	15½-15¾	16½-17½	9 1/16-9 5/16	7½-8	11⅝-11⅞	12¼-12½	18¼-19¾	20-25	6 1/16-6 5/16
Month	12 3/16-12 5/16	15⅛-15⅜	17⅛-17½	10-10⅛	8 1/16-8 5/16	12¼-12⅝	12⅝-12⅞	18¼-19¼	22-24	7-7¼
Three months	13 1/16-13 3/16	15 9/16-15 13/16	16⅞-17¼	10⅜-10½	8⅜-8⅝	12⅜-12⅝	13-13¼	19-20	18-28	7 7/16-7 11/16
Six months	12 15/16-12 13/16	16 1/16-15 13/16	16-16⅜	10 1/16-10 5/16	8½-8⅝	12⅜-12½	13¼-13½	19¼-20¼	15½-17½	7 11/16-7 15/16
One Year	12⅛-12 5/16	15-15¼	15⅜-15¾	10⅝-10¾	8-8⅛	11 15/16-12 3/16	13⅜-13⅝	19-20	14-16	7 15/16-8 3/16

SDR linked deposits: one-month 13-13⅞ per cent; three-months 13 5/16-13 7/16 per cent; six-months 13 5/16-13 7/16 per cent; one-year 12 13/16-13 5/16 per cent.

ECU linked deposits: one-month 13 5/16-13 7/16 per cent; three-months 13¼-13½ per cent; six-months 13⅛-13½ per cent; one-year 12⅞-13¼ per cent.

Asian $ (closing rates in Singapore): one-month 15 7/16-15 9/16 per cent; three-months 15 7/16-15 9/16 per cent; six-months 15 7/16-15 9/16 per cent; one-year 15 3/16-15 5/16 per cent. Long-term Eurodollar two-years 14⅞-15⅛ per cent; three-years 14⅞-15⅛ per cent; four-years 14-15⅛ per cent; five-years 14⅞-15⅛ per cent: nominal closing rates. Short-term rates are call for U.S. dollars, Canadian dollars and Japanese yen; others two-days' notice.

The following nominal rates were quoted for London dollar certificates of deposit: one-month 15.55-15.65 per cent; three-months 15.55-15.65 per cent; six-months 15.50-15.60 per cent; one-year 14.80-14.90 per cent.

INTERNATIONAL MONEY MARKET

European rates ease

Interest rates were mostly easier in major European centres yesterday, reflecting much quieter conditions. This came in the wake of a sharp tightening of rates, notably in West Germany and Belgium, with the latter increasing its discount rate to a record 16 per cent at the beginning of April, while the German Bundesbank introduced a special Lombard facility, managed *on a day-to-day* basis, at 12 per cent, and at the same time suspended transactions under the ordinary 9 per cent Lombard rate. Yesterday call money in Frankfurt was quoted at 11.75-11.85 per cent, compared with 11.90-12.00 per cent on Wednesday, while one-month money eased to 12.60-12.80 per cent from 12.75-12.85 per cent. The six-month rate was lower at 12.90-13.10 per cent from *13.05-13.15 per cent.*

In Amsterdam short-term money was unchanged at 9.75-9.875 *per* cent, and the one-month rate eased to 10.0-10.125 per cent from 10.125-10.25 per cent. Three-month money eased to 10.25-10.375 per cent from 10.375-10.5 per cent, and the 12-month rate was lower at 10.5-10.75 per cent, against 10.625-10.875 per cent on Wednesday.

In Paris call money remained at 12¼ per cent a level held since last Thursday, and its highest for nine months. While market liquidity has remained adequate for the most part, the authorities appear to be keeping rates firm in an attempt to head off speculative trading in the French franc in the run up to the Presidential election. Period rates were slightly easier. One-month money *fell to 12 11/16 per cent from* 13 per cent, and the three-month rate was lower at 13 3/16 per cent against 13¼ per cent.

UK MONEY MARKET

Adequate supply

Bank of England Minimum Lending Rate 12 per cent (from March 10, 1981)

Day-to-day credit appeared to be in adequate supply in the and the authorities did not intervene. The market was faced with a small amount of commercial *bills maturing* in official hands, while on the other hand Government disburse*ments exceeded revenue* terans-fers to the Exchequer by a small amount. Discount houses were paying around 11 per cent for secured call loans at the start, with later balances taken at 10-11½ per cent.

In the interbank market overnight loans opened at 11-11¼ per cent and eased on the forecast to around 11 per cent for much of the morning. Rates touched 10-10½ per cent, but came back to 11½-12 per cent before late demand pushed rates sharply higher to 50 per cent. The passage of revenue payments accepted late in the day probably accounted for the tight finish, with conditions further confused by the civil servants' dispute.

GOLD

Continued weakness

Gold fell $11 to $497-500 in the *London bullion market*, closing at the lowest level of the day. The metal opened at $511-514, the day's peak, and was fixed at $512.00 in the morning. There was heavy selling at the time of the afternoon fixing, when gold fell to $503.00.

In Paris the 12½ kilo gold bar was fixed at FFr 86,800 per kilo ($534.97 per ounce) in the afternoon, compared with FFr 86,500 ($533.28) in the morning, and FFr 86,200 ($535.09) Wednesday afternoon.

In Frankfurt the 12½ kilo bar was fixed at DM 35,335 per kilo ($514.02 per ounce), against DM 34,740 ($509.00) previously, and finished at $502-505, compared with $507-510.

	April 9		April 8	
Gold Bullion (fine ounce)				
Close	$497-500	(£226½-227¾)	$508-511	(£229¾-231)
Opening	$511-514	(£233-234½)	$510-513	(£231⅝-233)
Morning fixing	$512	(£233.204)	$508	(£230.365)
Afternoon fixing	$503	(£229.471)	$508.50	(£229.654)
Gold Coins				
Krugerrand	$513-514	(£233¾-234¼)	$523-524	(£236⅝-237¼)
1/2 Krugerrand	$264½-265½	(£120½-121)	$270-271	(£122¼-122¾)
1/4 Krugerrand	$135-136	(£61½-62)	$137½-138½	(£62¼-62¾)
1/10 Krugerrand	$57-58	(£26-26½)	$58-59	(£26¼-26¾)
Mapleleaf	$508-509	(£231¼-232)	$518-519	(£234½-235)
New Sovereigns	$124¾-125¾	(£56¾-57¼)	$127¼-128¼	(£57½-58)
King Sovereigns	$147-149	(£67-68)	$147-149	(£66½-67½)
Victoria Sovs	$147-149	(£67-68)	$147-149	(£66½-67½)
French 20s	$173-175	(£78¾-80¼)	$172-175	(£77¾-79¼)
50 pesos Mexico	$632-637	(£288-290¼)	$631-636	(£285¾-288)
100 Cor. Austria	$495-500	(£225½-227¾)	$495-500	(£224-226½)
$20 Eagles	$624-629	(£284¼-286¾)	$624-629	(£282¼-284¾)

MONEY RATES

NEW YORK	
Prime Rate	17
Fed. Fund	15⅝-15⅞
Treasury Bills (13-week)	13.72
Treasury Bills (26-week)	13.46
GERMANY	
Special Lombard	12.0
Overnight Rate	11.80
One month	12.70
Three months	13.35
Six months	13.00
FRANCE	
Intervention Rate	12.5
Overnight Rate	12.25
One month	12.9375
Three months	13.1875
Six months	13.0625
JAPAN	
Discount Rate	6.25
Call (Unconditional)	7.25
Bill Discount (three-month)	7.28125

LONDON MONEY RATES

April 9 1981	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount Market Deposits	Treasury Bills ɸ	Eligible Bank Bills ɸ	Fine Trade Bills ɸ
Overnight	—	10-50	11⅛	—	—	12	10-11½	—	—	—
2 days notice	—	—	11¾	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	—	—	—	—	—
7 days notice	—	11⅝-12	12	—	12⅜	12½	11¼-11⅝			
One month	12¼-12⅛	12-12 3/16	12⅛	13¼-12⅞	12 7/16	12½	11½-11¾	11 9/16	11 13/16-11 11/16	12⅜
Two months	12¼-12 1/16	12 1/16-12¼	—	13-12⅝	12 7/16	12⅜	11 7/16	11½	11⅜-11⅞	12⅜
Three months	12¼-12 1/16	12⅛-12¼	12⅛	12⅝-12½	12 7/16	12⅜	11⅝	11 7/16	11 11/16-11⅝	12¼
Six months	12 1/16-11⅞	11 15/16-12 1/16	12⅛	12⅜-12⅛	12 5/16	12⅜	—	—	11 9/16-11¾	11¾
Nine months	12-11 15/16	11 15/16-12 1/16	—	12⅜-12⅛	12 5/16	12⅜	—	—	—	—
One year	12-11 15/16	11 15/16-12 1/16	12⅛	12¼-12	12 5/16	12⅜	—	—	—	—
Two years	—	—	12⅛	—	—	—	—	—	—	—

Local authorities and finance houses seven days' notice, others seven days' fixed. Long-term local authority mortgage rates nominally three years 12⅞-12⅜ per cent; four years 12⅞ per cent; five years 13-13⅛ per cent. ɸBank bill rates in table are buying *rates for prime paper. Buying rates* for four-months bank bills 11½ per cent; four-months trade bills 12⅛ per cent.

Approximate selling rate for one-month Treasury bills 11 7/16 per cent; two-months 11¼ per cent; three-months 11 5/16 per cent. Approximate selling rate for one-month bank bills 11¾ per cent; two-months 11 23/32-11¾ per cent; three-months 11½-11 9/16 per cent; one-month trade bills 12⅛ per cent; two-months 12⅛ *per cent and three-months 12 per cent.*

Finance Houses Base Rates (published by the Finance Houses Association) 13 per cent from April 1, 1981. Clearing Bank Deposit Rates for sums at seven days' notice 9 per cent. Clearing Bank Rates for lending 12 per cent. Treasury Bills: Average tender rates of discount 11.3276 per cent.

WORLD VALUE OF THE DOLLAR

Bank of America NT & SA, Economics Department, London

The table below gives the rates of exchange for the U.S. dollar against various currencies as of *Wednesday, April 8, 1981*. The exchange rates listed are middle rates between buying and selling rates as quoted between banks, unless otherwise indicated. All currencies are quoted in foreign currency units per one U.S. dollar except in certain specified areas. All rates quoted are indicative. They are not based on, and are not intended to be used as a basis for, particular transactions.

Bank of America NT and SA does not undertake to trade in all listed foreign currencies, and neither Bank of America NT and SA nor the Financial Times assume responsibility for errors.

COUNTRY	CURRENCY	VALUE OF DOLLAR
Afghanistan	Afghani (O)	44.00
Albania	Lek	4.5735
Algeria	Dinar	3.8525
Andorra	Fr. Franc	5.005
	Sp. Peseta	86.17
Angola	Kwanza	27.637
Antigua	E. Caribbean $	2.7025
Argentina	Peso	3075.00
Australia	Dollar	0.8634
Austria	Schilling	15.0275
Azores	Port. Escudo	57.42
Bahamas	*Dollar*	1.00
Bahrain	Dinar	0.3769
Balearic Is.	Sp. Peseta	86.17
Bangladesh	Taka	15.9571
Barbados	Dollar	2.01
Belgium	Franc (C)	34.67
	Franc (F)	36.12
Belize	Dollar	2.00
Benin	C.F.A. Franc	250.25
Bermuda	Dollar	1.00
Bhutan	Ind. Rupee	8.21
Bolivia	Peso	25.00
Botswana	Pula	0.7707
Brazil	Cruzeiro	78.09
Brunei	Dollar	2.097
Bulgaria	Lev	0.90
Burma	Kyat	6.7271
Burundi	*Franc*	90.00
Cameroun Rp.	C.F.A. Franc	250.25
Canada	Dollar	1.1841
Canary Is.	*Sp. Peseta*	86.17
Cape Verde	Escudo	36.51
Cayman Is.	Dollar	0.835
Cen. Af. Rep.	C.F.A. Franc	250.25
Chad	C.F.A. Franc	250.25
Chile	Peso (O)	39.00
China	Renminbi Yuan	1.6294
Colombia	Peso (O)	52.54
Comoros	C.F.A. Franc	250.25
Congo P'ple.Rep.of	C.F.A. Franc	250.25
Costa Rica	Colon (O)	8.57
Cuba	Peso	0.7513
Cyprus	Pound*	2.58
Czechoslovakia	Koruna (O)	5.60
DemRep.SaoTome & Principe	Dobra	37.0565
Denmark	*Krone*	6.6735
Djibouti Rp. of	Franc	178.15
Dominica	E. Caribbean $	2.7025
Domin. Rep.	Peso	1.00
Ecuador	Sucre	28.10
Egypt	Pound*	1.4493
El Salvador	Colon	2.50
Eq'tl Guinea	Ekuele	172.34
Ethiopia	Birr (O)	2.0354
Faeroe Is.	Dan. Krone	6.6735
Falkland Is.	Pound*	2.2084
Fiji	*Dollar*	0.8385
Finland	Markka	4.0985
France	Franc	5.005
Fr. C'ty in Af.	C.F.A. Franc	250.25
Fr. Guiana	*Franc*	5.005
Fr. Pac. Is.	C.F.P. Franc	86.0351
Gabon	C.F.A. Franc	250.25
Gambia	Dalasi	1.8113
Germany (E)	Ostmark (O)	2.131
Germany (W)	Mark	2.121
Ghana	Cedi	2.75
Gibraltar	Pound*	2.2084
Greece	Drachma	51.80

COUNTRY	CURRENCY	VALUE OF DOLLAR
Greenland	Dan. Krone	6.6735
Grenada	E. Caribbean $	2.7025
Guadaloupe	Franc	5.005
Guam	U.S. $	1.00
Guatemala	Quetzal	1.00
Guinea Bissau	Peso	36.0327
Guinea Rep.	Syli	20.2154
Guyana	Dollar	2.5041
Haiti	Gourde	5.00
Honduras Rep.	Lempira	2.00
Hong Kong	Dollar	5.326
Hungary	Forint	32.55
Iceland	Krona	6.48
India	Rupee	8.21
Indonesia	*Rupiah*	625.00
Iran	Rial (O)	74.95
Iraq	Dinar	0.2999
Irish Rep	Punt*	1.719
Israel	Shekel	8.84
Italy	Lira	1057.50
Ivory Coast	C.F.A. Franc	250.25
Jamaica	Dollar	1.7835
Japan	Yen	213.05
Jordan	Dinar	0.3205
Kampuchea	Riel	n.a.
Kenya	*Shilling*	8.3131
Kiribati	Aust. Dollar	0.8634
Korea (Nth)	Won	0.94
Korea (Sth)	Won	671.60
Kuwait	Dinar	0.2747
Lao P'pls D. Rep	Kip	10.00
Lebanon	Pound	3.9975
Lesotho	Loti	0.8045
Liberia	Dollar	1.00
Libya	Dinar	0.2961
Liechtenst'n	Sw. Franc	1.9315
Luxembourg	Lux Franc	34.67
Macao	Pataca	5.305
Madagascar D. R.	Franc	250.25
Madeira	Port. Escudo	57.42
Malawi	*Kwacha*	0.859
Malaysia	Ringgit	2.30
Maldive Is.	Rupee	3.93
Mali Rp.	Franc	500.50
Malta	Pound*	2.6915
Martinique	Franc	5.005
Mauritania	Ouguiya	50.05
Mauritius	Rupee	8.1892
Mexico	Peso	23.78
Miquelon	Fr. Franc	5.005
Monaco	Fr. Franc	5.005
Mongolia	Tugrik (O)	3.3555
Montserrat	E. Caribbean $	2.7025
Morocco	Dirham	4.8383
Mozambique	Metica	27.8029
Namibia	S.A. Rand	0.8045
Nauru Is.	Aust. Dollar	0.8634
Nepal	Rupee	12.00
Netherlands	Guilder	2.3502
Neth. Ant'les	Guilder	1.80
New Zealand	Dollar	1.0995
Nicaragua	Cordoba	10.00
Niger Rp.	C.F.A. Franc	250.25
Nigeria	Naira (O)	0.5739
Norway	Krone	5.4115
Oman, Sultanate of	Rial	0.3456
Pakistan	Rupee	9.87
Panama	Balboa	1.00

COUNTRY	CURRENCY	VALUE OF DOLLAR
Papua N.G.	Kina	0.6623
Paraguay	Guarani	137.30
P'pls D. Rp. of Yemen	Dinar	0.3415
Peru	Sol	378.75
Philippines	Peso	7.65
Pitcairn Is.	N.Z. Dollar	1.0995
Poland	Zloty (O)	31.00
Portugal	Escudo	57.42
Port Timor	Escudo	n.a.
Puerto Rico	U.S. $	1.00
Qatar	Riyal	3.6397
Reunion Ile de la	Fr. Franc	5.005
Romania	Leu	4.47
Rwanda	Franc	93.84
St. Christopher	E. Caribbean $	2.7025
St. Helena	Pound*	2.2084
St. Lucia	E. Caribbean $	2.7025
St. Pierre	*Fr Franc*	5.005
St. Vincent	E. Caribbean $	2.7025
Samoa (Am.)	U.S. $	1.00
San Marino	It. Lira	1057.50
Saudi Arabia	Riyal	3.35
Senegal	C.F.A. Franc	250.25
Seychelles	Rupee	6.036
Sierra Leone	Leone	1.292
Singapore	Dollar	2.097
Solomon Is.	Dollar	0.8658
Somali Rep.	Shilling	6.0241
South Africa	Rand	0.8045
Spain	Peseta	86.17
Span. Ports in N. Africa	Sp. Peseta	86.17
Sri Lanka	Rupee	18.3617
Sudan Rep.	Pound* (2)	2.00
Sudan Rep.	*Pound* (1)*	1.25
Surinam	Guilder	1.80
Swaziland	Lilangeni	0.8045
Sweden	S. Krone	4.64
Switzerland	Franc	1.9315
Syria	Pound	3.9262
Taiwan	Dollar (O)	36.00
Tanzania	Shilling	8.137
Thailand	*Baht*	20.50
Togo Rep.	C.F.A. Franc	250.25
Tonga Is.	Pa'anga	0.8634
Trinidad & Tobago	Dollar	2.4063
Tunisia	*Dinar*	0.3985
Turkey	Lira	95.66
Turks & Caicos	U.S. $	1.00
Tuvalu	Aust. Dollar	0.8634
Uganda	Shilling	7.9108
Utd. A'b. Emir.	Dirham	3.6724
Utd. Kingdom	Pound Sterling*	2.2084
Upper Volta	C.F.A. Franc	250.25
Uruguay	Peso	10.42
U.S.S.R.	Rouble	0.7132
Vanuatu	Vatu (5)	80.6889
Vanuatu	*Aust. Dollar*	0.8634
Vatican	It. Lira	1057.50
Venezuela	Bolivar	4.2935
Vietnam	Dong (O)	2.18
Virgin Is. Br.	U.S. $	1.00
Virgin Is. U.S.	U.S. $	1.00
Western Samoa	Tala	0.9713
Yemen	Rial	4.57
Yugoslavia	Dinar	29.37
Zaire Rp.	Zaire	3.46
Zambia	Kwacha	0.8388
Zimbabwe	Dollar	0.6557

n.a. Not available. * U.S. dollars per National Currency unit. (O) Official rate. (C) Commercial rate. (F) Financial rate.
(1) Sudan—Official rate for specified exports and imports. (2) Sudan—Official rate for all transactions except specified exports and imports.
(3) Egypt—A different rate applies to certain transactions with non-IMF countries.
(4) Iceland—Introduced a new crown equivalent to 100 units of old currency on 1/1/81.
(5) *Vanuatu—100 vatu=6.1875 French francs since 1/1/81. Aust. dlr. being phased out over next two years.*

WORLD STOCK MARKETS

Early fall in Oils on Wall St.

STOCKS ON Wall Street displayed a slight bias to higher levels at midday after active trading, although key indices were easier in reflection of a weak Oils sector.

The Oils group was hurt by a published report that Ecuador and Mexico have cut oil prices in what could be the start of a round of price cutting by world producers. The Oils have been weak lately because soft demand was hurting refining operations.

The Dow Jones Industrial Average was off a slight 0.18 at 993.25 at noon, while the NYSE

Closing prices for North America were not available for this edition.

All Common Index shed 13 cents to $77.42, *but gains* led declines by a seven-to-six ratio. Turnover increased to 32.98m shares from Wednesday's midday figure of 28.76m.

Among the actives, **Texaco** slipped ⅜ to $36⅛. **Superior Oil** 1⅞ to $213⅛, **Occidental Petroleum** ⅝ to $29⅞, **Gulf Oil** ⅛ to $34⅞, **Amerada Hess** 1⅜ to $34⅛, ***Royal Dutch Petroleum*** ⅜ to $37½ and **Shell Oil** 1⅛ to $42⅜.

Cities Service lost ⅝ to $44⅛. *It is offering $300m of deep discount 7 per cent 30-year debentures.* Active **Diamond Shamrock** shed ⅛ to $33⅛. Two blocks totalling 700,000 shares were moved at $33.

Retailers generally added fractions after reporting improved March sales. Active **K Mart** put on ⅛ to $21½ and ***Sears Roebuck*** ⅛ *to $19.* Sears reported a 12.9 per cent sales rise, its first double digit gain in nearly three years.

Marine Midland Banks climbed $1 to $18 and **Chemical New York** ⅜ to $53⅛. Both reported higher first-quarter net profits.

Gold shares fell as Bullion prices dropped below $500 again. The spot Comex price was $498 at noon. ASA lost 1⅛ to $51⅛, **Dome Mines** 1⅛ to $85⅛ and ***Homestake*** 1⅛ *to $55⅛.*

THE AMERICAN SE Market Value Index was 0.99 firmer at 366.17 at noon, but *declines led* advances by a small margin. Volume 2.96m shares (2.76m).

Canada

Golds declined on the weak Bullion price, but the rest of the market retained a firming tendency in active dealings yesterday morning. The Toronto Composite index *added 6.2* at 2,364.6 at midday, while Oil and Gas put on 8.4 to 4,583.0, but *Golds retreated 62.3 to 4,240.9.*

The Paper and Forest index rose 35 points, with **B.C Forest** up 1⅛ to C$23⅛. **Macmillan Bloedel** ⅛ to C$53 and **Macmillan** Preferred C$⅛ to C$29½. **Noranda,** which is bidding for Macmillan and plans to sell *its* interest in **BC Forest, gained ⅞ to C$31⅞.**

Tokyo

After a fresh early advance which took the market Average to another *all-time* high, the market receded on profit-taking to leave a majority of issues *easier on the day.* Trading was again exceptionally heavy and matched Wednesday's record volume of 1.3bn shares.

The Nikkei-Dow Jones Average, which touched a record 7,537.71 at the morning close, *subsequently declined to 7,491.82* for a loss of 16.70 on balance. Declines finally outnumbered gains by 370 to 270 on the First Market section, although the Tokyo SE index ended still 1.91 higher on the day at 546.23.

Towards the close, many domestic institutions and smaller investors took profits, while *foreign* investors continued buying, although their purchases slowed.

Investors are worried by possible tighter margin trading curbs, but this does not affect most *foreign* investors, who are not involved in such trading.

Large-capitals led the initial rise on active buying by foreign *investors, but ended mixed* on the day. **Hitachi** and **Toshiba** each lost Y1, but **Nippon Steel** added Y2 at Y189, **Nippon Kokan** Y6 at Y187, **Ishikawajima-Harima Heavy** Y10 at Y205, **Mitsui Shipbuilding** Y8 at Y224 and **Mitsubishi Heavy** Y11 at Y254.

Trading Houses, Electric Powers, Shippings and Securities companies finished strongly, however. **Mitsui** added Y18 at Y340, **Sumitomo** Y17 at Y442, **Nomura Securities** Y45 at Y493, **Nikko Securities** Y38 at Y431, **Tokyo Electric Power** Y45 at Y995 and **Nippon Yusen** Y15 at Y340.

High-priced Light Electricals mostly held on to small net *gains,* but *Pharmaceuticals,* Motors, Constructions, Synthetic Fibres, Oils and Coals lost ground.

Toyota Motor shed Y18 to Y950, **Nippon Oil** Y20 to Y1,250, **Honda Motor** Y13 to Y746, **Mitsui Mining** Y5 to Y665, ***Kajima Construction*** Y7 to Y328 and **Toray** Y8 to Y872.

Germany

The market staged a further advance, lifting the Commerzbank index 4.6 more to a new high for the year of 716.2 for a two-day rise of 11.7.

Heavy Industrial stocks were particularly in demand, Bourse sources citing the Hanover Fair, *which closed on* Wednesday and which deals specifically with the engineering industry, as a possible stimulus behind the new buying.

GHH added DM 5.50 at DM 203 for a two-day advance of DM 13.50. **Deutsche Babcock** rose DM 7.

In Chemicals, **Bayer** gained *DM 3.60 to DM 125.90 on* 1980 results showing an 11.5 per cent rise in pre-tax profits.

Hong Kong

Stocks generally lost further ground in fairly active trading, with the Hang Seng index receding 22.05 to 1,325.05, making a fall for the past three days of 84 points.

A more than doubled final profit figure for **Hong Kong Land** led to some late buying, but this failed to reverse the general downward trend.

Overall trading volume, although moderately good, was inhibited by the closure of the Far East Stock Exchange yesterday due to a major road subsidence and gas leak in Hong Kong's Central District.

HK Land was one of the few firmer spots on the day, gaining 20 cents at *HK$10.90* on the results, which also included a special dividend and one-for-four bonus issue.

Australia

Oil Shale, issues staged a rally yesterday after their recent extremely sharp setback, while the Oil and Gas sector in general showed some recovery from recent weakness. Minings, easier of late, made a steadier showing to close narrowly mixed, while the Industrials sector remained firmer-inclined.

The *Rundle Oil Shale* twins, after returning to favour in London overnight, rallied. **Central Pacific,** having fallen A$1.80 in the past three days, recouped 35 cents to A$2.60, while **Southern Pacific** followed *its three-day fall of 97 cents* with a recovery of 21 cents to A$1.19.

The pair had been marked down sharply after Monday's discouraging report on technical and financial problems associated with the Rundle shale oil project, but started rallying late on Wednesday on bargain hunting.

Among other Oil Shale stocks, **Esperance Minerals** picked up 30 cents to A$1.10 and **Mining Houses** 12 cents to 75 cents, while **Greenvale** was steady at 85 cents.

Elsewhere in the Oil and Gas sector, **Santos** regained 30 cents to A$22.80, **Vamgas** 30 cents to A$8.80 and **Strata Oil** 15 cents to A$3.15.

Johannesburg

Gold shares recorded modest improvements in thin trading after the recent downtrend, although the undertone was easier due to the weaker Bullion price.

NEW YORK

CANADA

BELGIUM (continued)

HOLLAND

AUSTRALIA

JAPAN (continued)

DENMARK

FRANCE

ITALY

NORWAY

HONG KONG

SINGAPORE

SOUTH AFRICA

SWEDEN

GERMANY

JAPAN

AUSTRIA

SWITZERLAND

BELGIUM/LUXEMBOURG

BRAZIL

Financial Rand US$0.88¼ (Discount of 28¼%)

Indices

NEW YORK —DOW JONES

STANDARD AND POORS

N.Y.S.E. ALL COMMON

MONTREAL

NEW YORK ACTIVE STOCKS

Base values of all indices are 100 except Australia All Ordinary and Metals—500; NYSE All Common—50; Standard and Poors—10; and Toronto—1,000; the last named based on 1975. † Excluding bonds. ‡ 400 industrials. § 400 industrials plus 40 Utilities, 40 Financials and 20 Transports. (c) Closed.

NOTES—Prices on this page are as quoted on the individual exchanges and are last traded prices.

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Energy Review

By David Fishlock, Science Editor

Why Windscale sprang so many leaks

DURING the British election campaign in April 1979 Mr. Tony Benn, then Secretary for Energy, made a speech about his worries for nuclear safety following the U.S. accident on Three Mile Island and the UK discovery of another leak of radio-active effluent at Windscale in Cumbria. He said that he had asked the Government's chief nuclear inspector whether part or all of the Windscale factory of British Nuclear Fuels (BNFL), in Cumbria, should be shut down.

Mr. Benn had left his officials at the Department of Energy in no doubt that he expected the Windscale Public Inquiry in 1977 to raise enough serious doubts about the proposed new reprocessing venture at Windscale at least to defer any decision for many years. But Mr. Justice Parker rejected all 17 points made against the new project and accepted—almost without reservation—the case of BNFL, for a major investment in a new reprocessing plant.

In his speech, Mr. Benn said it was clear that the new government must mount another inquiry into safety at Windscale. The incoming Conservative Government heeded his words and in July 1979 asked the Nuclear Installations Inspectorate (NII) to carry out a comprehensive evaluation of safety at the site.

The report of the nuclear inspectors, published yesterday, says that safety was "not wholly satisfactory" in 1979. They make 15 detailed recommendations for improvement. But they add that they have no wish to give the impression that Windscale is a dangerous place at which to live or to work. "In our view the company shares with the best of British chemical industry the merit of devoting considerable attention to health and safety matters at board level." They say that the need to report every incident involving a radio-active release is creating a "false image" of nuclear safety.

The idea that Windscale might be a particularly hazardous chemical site grew out of opposition to what had been called its role as a national "nuclear dustbin," where highly radio-active effluent from the reprocessing of spent nuclear fuel would be stored until a permanent burial place was found.

In 1977, Mr. Benn announced that quarterly statements would be issued of all incidents involving radio-active materials. Previously, the only incidents formally reported to ministers were those involving loss of life, serious injury or significant radiological effects outside the factory.

CON ALLDAY
The inspectors' report is 'a clean bill of health'

Up to the time when the safety inquiry began, nearly half of all incidents being reported were occurring at Windscale. Two had involved major releases of radio-active effluents into the ground. One of them earned a sharp reprimand from the chief nuclear inspector last summer.

The BNFL factory at Windscale comprises three main activities: reprocessing of natural uranium (Magnox) fuel, manufacture of plutonium fuel elements for the prototype fast breeder reactor, and operation of the Calder Hall nuclear power station nearby. In addition it refines and stores plutonium, both for civil and military use. The association of so many activities with plutonium makes the factory a natural target for opponents of all uses of nuclear power.

About one-third of the 395 buildings on the BNFL site at Windscale—some 485 acres—are involved with radio-active materials. The company has around 6,000 employees on the site; and another 2,400 are working there either under contract to BNFL or for the UK Atomic Energy Authority in adjoining laboratories.

The site was a munitions plant during the Second World War, and was then acquired for chemical plant making and refining plutonium for Britain's earliest nuclear weapons. Fifteen years of breakneck development came to an abrupt halt in 1962 when the Ministry of Defence announced that it had enough nuclear explosive to meet its requirements.

The factory, as part of the production group of the UK Atomic Energy Authority, set out to develop a commercial operation in reprocessing the fuel from Britain's Magnox power stations. The first of these came on-line in 1962. It also imported fuel for reprocessing from two Magnox stations overseas and from research reactors. It built up *a capacity for treating about* 1,500 tonnes of fuel a year, and separating 3 tonnes of plutonium. In 1971, when the production group of the UKAEA was hived off, Windscale became the biggest of the three factories of BNFL.

But by the early 1970s the standard of plants at Windscale had "deteriorated to an unsatisfactory level," say the inspectors. Too little investment in plant and equipment was made during the 1960s. At this point the newly-formed company undertook a substantial recovery programme.

The nuclear inspectors note that reportable incidents have been *occurring at the rate of* nearly 30 a year, compared with a total of 177 for the 27 years up to 1976. But they say also that the criteria for judging what is reportable have become more exacting.

"Most of the incidents reported from BNFL Windscale in the quarterly statements have involved some failure of safety precautions, but few of them have resulted in employees receiving significant radiation exposure, and none has involved the public."

Some reported cases of *apparent exposure to radiation* or contamination of workers proved, on closer investigation, not to be so. Although about one-quarter of incidents involved exposure above the statutory limits, almost all were only "slightly in excess of these limits."

But the nuclear inspectors picked out seven incidents which seemed to be of greater significance. Two, involving leaks of radio-active effluent into the ground, had already been the subject of special inquiries. Others involved the failure or breach of a series of protective barriers.

"Our analysis revealed that such incidents might not have happened, or the consequences might have been mitigated, if in each case even one of the protective systems concerned had operated as intended. Although few, they are a cause for concern because of the implications of multiple failures of safety precautions."

BNFL today has a £2bn investment programme under way at Windscale. About 10 per cent of Windscale's workforce is engaged on health and safety. The nuclear inspectors say that if their 15 recommendations are accepted, they see no reason on safety grounds why the development of Windscale should not proceed.

"Very few" of the incidents now being regularly reported by Windscale to the Government would be made public if they occurred in other factories, *they maintain.*

Mr. Con Allday, managing director of BNFL, says he sees the report as "a pretty clean bill of health. You can't carry out an investigation into a place like Windscale without finding something wrong."

He expects a follow-up report from the nuclear inspectors later this year to confirm that all the recommendations have in fact been implemented. Many already have, including the splitting of Windscale into two BNFL factories, each with its own general manager—for the Calder Hall station and for the Windscale reprocessing operations. Both report to Mr. Roy Pilling, as director responsible for what officially reverts to its local name of Sellafield.

As for the planned £2bn investment programme, there are no changes, says Mr. Allday. The inspectors have confirmed that provisions for *safety in future are fine.*

BNFL has produced its own lengthy formal response to the inspectors' critique, calling it "comprehensive, competent and fair." The message is that it believes the inspectors may sometimes have underestimated just how big an *effort the company is making* in nuclear safety.

Nevertheless, it accepts all the recommendations, including No. 14. It has recently appointed a divisional quality assurance manager with a planned staff of 21, and begun a pilot audit of a design project.

WHAT THE NUCLEAR INSPECTORS SAY

1—Windscale by the early 1970s had deteriorated to an unsatisfactory level; a situation which "should not have been allowed to develop, nor should it be permitted to occur again."

2—Much has been accomplished in recent years to improve plant safety and radiation dose levels.

3—BNFL paid too little attention in the mid-1970s to planning for senior management succession.

4—The Windscale general manager has too big an area of responsibility and needs more technical support.

5—The responsibilities of Windscale works managers need to be defined more precisely, especially in regard to maintenance, and they need more technical support.

6—Most of the reported incidents since 1976—about 30 a year—might have been prevented, or the risk of occurrence significantly reduced, had BNFL regularly updated and reviewed its compliance with its own safety procedures.

7—All modifications, however minor or apparently trivial, should be covered by an appropriate safety procedure confirming that the plant is safe to operate.

8—Although Windscale's system for controlling nuclear "criticality" is good, not enough attention has been given to instrumentation for dealing with "reasonably foreseeable abnormal plant operations."

9—*All maintenance at* Windscale should be the subject of central review and direction of its scope and frequency.

10—The requirements of the Clearance Certificate used in chemical plant operations are not sufficiently comprehensive.

11—Arrangements to deal with emergencies and any dangers to the public are "well-conceived and adequate."

12—*Provisions for training* are "generally good" but an expanding company must continue to give close attention to training.

13—BNFL's directorate of health and safety should be strengthened to permit more independent auditing of safety.

14—Introduction of quality assurance organisations is strongly recommended as a "promising way of reducing" the frequency of incidents on the site.

15—*BNFL should* reconsider the frequency and circumstances under which it needs to review safety of operating plants.

APPOINTMENTS

Chief executive at Champion Sparking Plug

Mr. D. W. Wilkie has been appointed managing director of CHAMPION SPARKING PLUG COMPANY. He joined Champion as director of finance in 1976 and was appointed director and general manager in June, 1979.

★

Mr. Mark Richardson has been appointed a director of LAZARD SECURITIES.

★

The Home Secretary has appointed the **Baroness Pike of Melton** to be chairman *of the* BROADCASTING COMPLAINTS COMMISSION from June 1.

★

The Trade Secretary has appointed **Mr. W. Proudfoot**, general manager and actuary, Scottish Amicable Life Assurance Society, and **Mr. K. Rose**, chairman, Confederation of Insurance Trade Unions, members of the PANEL OF INSURANCE ADVISERS. Five members of the panel have been reappointed. They are **Mr. I. R. Binney, Mr. R. Kiln, Mr. E. Lorenz, Mr. P. A. Taylor** and **Mr. G. L. Williams.** All the appointments are for terms of three years.

★

Mr. R. C. Hale is to become chairman of HOSKINS AND HORTON following the retirement of Mr. Stephen Lloyd at the annual meeting on June 17.

★

THE WINTERBOTTOM ENERGY TRUST (*managed by* Baillie Gifford and Co.) has appointed **Mr. John Gillespie** an additional director.

★

Mr. Ian Dunkley, managing director of Datron Micro Centre has been elected chairman of the COMPUTER RETAILERS *ASSOCIATION.*

★

Mr. Malcolm Talbot, formerly publishing director of IPC MIDDLE EAST PUBLISHING COMPANY, has been appointed managing director.

★

Mr. Leslie Greatbatch, managing director of Kilns and Furnaces, Tunstall, is the new chairman of the BRITISH CERAMIC PLANT AND MACHINERY MANUFACTURERS' ASSOCIATION. He succeeds **Mr. Arthur Bradshaw**, managing director of Service (Engineers), Cobridge. The new vice-chairman of the association is **Mr. Robert E. Craven**, sales director of the Craven Fawcett Group, Wakefield, and the treasurer is **Mr. Nigel N. Ducker**, managing director of Bennett and Sayer, Derby.

★

Mr. R. B. Cole has retired from the Board of directors and the chairmanship of ROBERT MOSS and *Mr. J. A. Leavey* has been appointed in his place.

★

Mr. Raymond Alston has been appointed chairman and managing director of BAYLY MARTIN AND FAY following the resignation of **Mr. Frederick V. Hayward. Mr. Malcolm Eldridge** has been elected to the Board as financial director. Bayly Martin and Fay (Life and Pensions) is to be formed with **Mr. Richard Walton** as managing director.

★

Mr. Bill Pickett, publicity manager of the BRITISH ELECTRICAL AND ALLIED MANUFACTURERS' ASSOCIATION (BEAMA), has been appointed a director of the BEAMA Federation.

★

Mr. Simon Preston has been elected honorary treasurer of the *INSTITUTE OF PUBLIC RELATIONS.* He succeeds the late **Mr. Peter Williams. Mr. Preston** is director of public affairs of Dewe Rogerson.

RECOVERY HOPES TIED TO RESTRUCTURING

Philips forecasts small rise in earnings

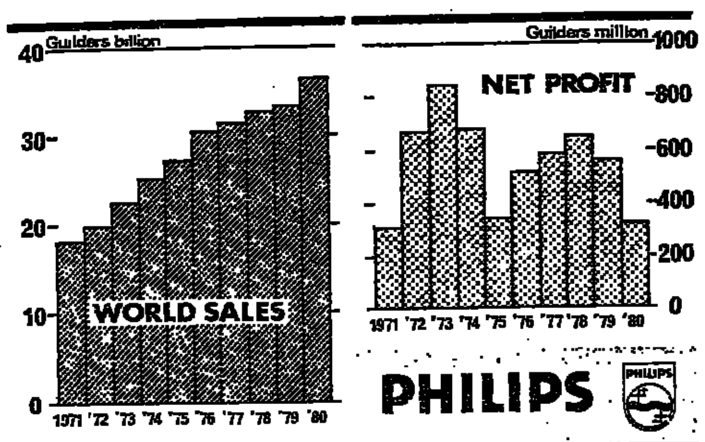
BY CHARLES BATCHELOR IN AMSTERDAM AND GUY DE JONQUIERES

PHILIPS, the Dutch-based electrical and electronics group, expects only a small improvement in profits this year, coupled with a slight decline in the growth rate of sales volume. But the accelerated restructuring programme which it announced last month is forecast to produce a sustained further improvement in profits, starting next year.

On the basis of what it called a "satisfactory" performance in the first quarter of this year, the Philips board forecast a 5 to 6 per cent rise in volume sales against 7 per cent last year. Cash sales will increase by at least 9.5 per cent to more than Fl 40bn ($16.93bn).

The company said in its annual report that net profit this year would "not be significantly higher" than in 1980, when it fell 42 per cent to Fl 328m. That was the lowest since 1971 and represented a return of only 2.7 per cent on shareholders' equity against 5 per cent the previous year.

Much of the company's hope for recovery is pinned to a more aggressive restructuring programme. It has committed Fl 800m to the programme, chiefly for the rationalisation of its manufacturing activities in Europe. About half this sum has already been allocated to specific projects.



The programme aims to reduce excess capacity and cut the number of Philips plants, particularly for production of television tubes, electronic components and consumer electronic products. The company produces more than 4m tubes a year at nine European plants. Industry sources believe that Philips' longer-term aim is to reduce the number of plants to two.

It expects to trim its European workforce by at least 10,000 in each of the next two years and will resort, for the first time, to compulsory redundancies. Its European staff was reduced by 9,600 last year to 258,000 out of a worldwide total of 372,600.

It has been necessary to accelerate the restructuring programme, which was initiated in a somewhat leisurely fashion about five years ago, because Philips has been caught in the grip of a tightening squeeze. Improvements in manufacturing productivity, attributable to increased automation and advances in microelectronic technology, have not been matched by a growth sales in Phillips' main product markets.

For example, the number of man-hours needed to make a television set chassis has fallen from 22 a decade ago to only two today. It will be halved again when the next generation of television chassis is introduced in a few years. Yet the total European market for televisions sets has stagnated, because of the recession, at about 10m a year.

Philips' response to these problems so far has been handicapped by the fragmented nature of its European operations, which has made it difficult to achieve the economies of scale enjoyed by its Japanese competitors with their newer and more efficient plants.

It still has too many plants in too many countries, a hangover from pre-Common Market days when business had to be segmented into different national compartments. Mr. J. Zandman, Philips' finance director, said in London yesterday: "Our industrial network served us well in the past. But it doesn't look like what we need for the 1980s."

But the speed at which the programme progresses will be governed by external political and social factors. The company, whose moves to trim its Dutch labour force have frequently exposed it to strong criticism, recognises that it will be particularly difficult to carry its plans through at a moment when unemployment is on the rise everywhere.

It has indicated that it is still pressing for protection against imports from Japan, particularly of television tubes. It says that the need for such "temporary" protection will become more acute the longer its rationalisation programme takes.

So far, Philips' efforts to obtain EEC import curbs have had little success. But if market conditions deteriorate further, the company may take a tougher line with national governments, Mr. C. J. van der Klugt, head of Philips' consumer electronics division, said yesterday: "If the going becomes too rough, it will be up to national authorities to decide if they want to keep these industries in their countries."

Last year, the company maintained its position in the world market for colour television sets and considerably improved its position in black and white sets, increasing both its market share and profits.

Texas Air to press its bid for Continental

By Our New York Staff

TEXAS INTERNATIONAL Airlines is to press ahead with its plans to take over Continental Airlines, in spite of a rival employee takeover plan and comments from Mr. A. L. Feldman, Continental's president, that a combined Texas-Continental company would have small chance of survival.

Texas said that Mr. Feldman's remarks were "irresponsible" an dthat the employee takeover plan was "largely management inspired" and would be a "wasteful move" for shareholders.

Texas already owns 49 per cent of Continental, but requires Civil Aeronautics Board approval for the deal.

Meanwhile Continental is trying to convince others that the combined debt load of the combined company would be economically unworkable and that a better proposal has come from a novel employee ownership scheme.

That scheme was unveiled by Continental's employees association at a rally of 2,000 of the company's 10,400 workers in Los Angeles yesterday.

Leaders of the plan suggested that for the next three to seven years, Continental's employees agree to forego half of their pay increases and sink the funds into an employee stock trust. The sum of money involved would be up to $185m.

Mr. A. L. Feldman, president of the airline, told the rally that he personally would enter the scheme and would urge full management and board backing, providing that there was a substantial majority of employees in favour of the plan in a ballot to be held during the next fortnight.

Mr. Paul Eckel, a Continental pilot and chairman of the employees' association, said the goal was for airline employees to gain control of their own destiny.

U.S. Steel to sell coal properties to Sohio for $700m

BY PAUL BETTS IN NEW YORK

STANDARD OIL of Ohio (Sohio), the U.S. subsidiary of British Petroleum, and U.S. Steel came up yesterday with a surprise new agreement involving the sale of some of the steel company's coal properties and reserves to Sohio for $700m.

Barely a month ago, the two companies called off a similar transaction because they could not agree on the value of the properties and reserves in the deal. Sohio had tentatively agreed to buy three coal mines in Pennsylvania and West Virginia and 700m tonnes of Appalachian coal reserves for $750m.

Sohio and U.S. Steel said they resumed talks and reached a definitive agreement on a different mix of coal producing properties and about 700m tonnes of coal reserves, Sohio said yesterday.

The new deal which the companies expect to close in the second half of the year, involves coal properties and reserves in West Virginia, Pennsylvania, Utah and Illinois. But one Pennsylvanian mine, the Robena mine, is not included in the revised agreement.

Sohio said yesterday it would pay cash despite its recent agrement to acquire Kennecott, the leading U.S. copper producer, for $1.77bn. Sohio, which is flush with profits from its substantial oil holdings on the North Slope of Alaska, said the deal would not pose any cash problems.

Mr. David Roderick, chairman of U.S. Steel, said the sale will have a "significant" impact on U.S. Steel's income. The deal involved about 28 per cent of its coal reserves but the remaining reserves of over 2.3bn tonnes were "more than adequate for U.S. Steel's long-term internal and commercial needs," he added.

Marine Midland Banks almost doubles profits

BY OUR FINANCIAL STAFF

MARINE MIDLAND BANKS, the upstate New York bank controlled by Hongkong and Shanghai Banking Corporation, almost doubled operating net profits in its first quarter from $10.37m to $20.51m.

After allowing for securities transactions net income was $18.56m, up by 88 per cent from the $9.85m of 1980. Per share net income was 97 cents against 73 cents, reflecting the increase in outstanding capital resulting from the Hongkong Bank taking its controlling interest.

Meanwhile, the squeeze on earnings of U.S. savings and loan groups caused by slack loan demand and high interest rates is continuing, with Great Western Financial reporting first quarter profits of only $841,000 compared with the already depressed $13.5m in 1980.

Mr. James Montgomery, president of Great Western, the second largest savings and loan group in the U.S., attributed the drop to continued high interest rates and a low volume of new loans. Great Western had previously reported that in 1980 new loans totalled only $900m compared with $2.16bn in the previous year.

Chrysler makes changes in senior management

BY OUR NEW YORK STAFF

MR. LEE IACOCCA, the chairman of Chrysler Corporation, yesterday announced a series of senior management changes which bring to key positions in the company a number of younger executives who, like Mr. Iacocca, spent most of their careers with Ford Motor

The outgoing executives are Mr. J. Paul Bergmoser, who at 65 will retire as president in May, and Mr. E. F. Laux, 62, who is retiring as vice-chairman.

Taking over as vice-chairman, the number two slot, is Mr. Gerald Greenwald, 45, the financial executive who has been the chief architect of Chrysler's financial negotiations with the Government in the past two years.

Mr. Harold Sperlich, currently the chief operational manager in the company, becomes president of North American automotive operations. Mr. Steve Miller becomes executive vice-president, taking over from Mr. Greenwald.

Mr. Miller, 39, Mr. Greenwald and Mr. Sperlich, joined Chrysler from Ford between 1977 and 1979.

Ford maintains dividend

Ford Motor Company, the second largest U.S. car group, is maintaining its quarterly dividend at the reduced 30 cents a share paid since the third quarter of 1980 when it was cut from 31, writes our Financial Staff.

There had been speculation that Ford would cut or omit the dividend because of continuing losses, which totalled $1.54bn last year and are forecast at more than $316m for the quarter ended on March 31.

A & P studies acquisition

BY OUR NEW YORK STAFF

GREAT ATLANTIC and Pacific Tea (A & P), the U.S. supermarket chain controlled by Tengelmann of West Germany, is studying the possible acquisition of Niagara Frontier Services, an upstate New York food retailer.

The move is something of a surprise in that A & P is still losing money and has not yet completed the retrenchment and restructuring programme initiated last year when Mr. James Wood became chairman and Tengelmann increased its holdings.

Niagara Frontier owns 63 shops and has sales of $500m a year and has been the subject of takeover speculation for years. The most recent firm bid, made in 1978, was worth $79.5m.

In the first half of its current fiscal year, Niagara earned $4.1m on sales of $278.6m.

A & P formerly had stores in the northern part of New York state, but abandoned the area in an earlier programme of cutbacks started by Mr. Wood's predecessor.

Analysts say the acquisition could make sense for A & P, in that it would provide further outlets for the company's large food processing operations.

Saudi International gains

BY JOHN MAKINSON

SAUDI INTERNATIONAL Bank, the London consortium bank in which the Saudi Arabian Monetary Agency (SAMA) has a 50 per cent stake, has reported a 35 per cent increase in pre-tax profits

Profits amounted to £7.39m ($16.3m) after provisions and total assets were up by 56 per cent to £1.23bn. The slower rate of profits growth is accounted for principally by the much higher charge for provisions against loan losses. The charge totalled £2.07m last year compared with £611,000 in 1979. The higher figure arises from the strong growth in the bank's loan book as well as from a single write-off of £850,000.

£50m Bulldog bond launched for Pemex

By Francis Ghilès

THE FOURTH "Bulldog" bond—a domestic sterling bond issue for a foreign borrower—was launched yesterday for Pemex, the Mexican state borrower. Lead manager Lloyds Bank International is indicating a coupon of 14¼ per cent and a price of 96¾ on the £50m, 25-year issue.

This is the first "Bulldog" bond for Third World borrower and it offers investors a yield 35 basis points above the first Bulldog launched last July for Denmark.

Activity in the Eurodollar bond market was very subdued yesterday. Prices of seasoned issues slipped ½ of a point. Short-term interest rates moved up yesterday, reversing the movement on Wednesday. The six-month Eurodollar rate closed ⅝ higher at 15⅞ per cent.

The $50m Alcoa of Australia issue to 1991 was cut by $20m and priced at 92 instead of the indicated 94½-5 by lead manager Credit Suisse First Boston after a lukewarm response.

Daiwa Securities is arranging a $30m five-year floating rate note issue for Banco de Chile, which carries a minimum coupon of 6¼ per cent. The borrower is paying an interest rate of ¾ per cent over six-month Libor.

Prices of D-mark foreign bonds were unchanged. The new DM 100m, eight-year, 10 per cent issue for Finland slipped further in the grey market to around less 1¾ points from an indicated price of par.

There was little reaction in the Swiss franc market to the news of the country's higher inflation rate of 6.3 per cent a year. Dealers said that the increase had been discounted and prices dropped by ¼ point.

Autopistas Vasco-Aragonesa, the Spanish motorway company, his issued SwFr 30m of ten-year floating rate notes through Banque Gutzwiller, Kurz, Bungener. The notes carry a minimum coupon of 9 per cent for the first six months and then 7½ per cent. The interest rate is pegged at 1¼ points above six-month Swiss franc Libor. Credit Suisse has arranged a SwFr 40m, five-year convertible private placement for Best Denki, the Japanese retailer. The notes carry a coupon of 4⅞ per cent and the conversion premium is 8 per cent.

SOFTE, the Italian state communications agency, has attracted good demand. The amount of the issue, originally 25m ECU, was increased last week to 30m ECU and again yesterday at the signing of the issue, to 35m ECU. The bonds carry a coupon of 13 per cent and the lead manager is Kredietbank International Group.

AMERICAN QUARTERLIES

ABBOTT LABORATORIES	1980	1981
First quarter	$	$
Revenue	546.9m	463.6m
Net profits	55.9m	47.2m
Net per share	0.90	0.76

COLT INDUSTRIES	1980	1981
First quarter	$	$
Revenue	586.7m	572.9m
Net profits	26.2m	28.3m
Net per share	2.12	2.15

INTERCO	1980-81	1979-80
Fourth quarter	$	$
Revenue	630m	503.2m
Net profits	38.5m	33.4m
Net per share	2.38	2.24
Year		
Revenue	2.37bn	2.02bn
Net profits	124.3m	106.7m
Net per share	7.61	7.35

LANIER	1980-81	1979-80
Third quarter	$	$
Revenue	72.5m	66.8m
Net profits	7.3m	4.2m
Net per share	0.98	0.57
Year		
Revenue	206.5m	181.3m
Net profits	17.2m	11.4m
Net per share	2.32	1.54

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices which will be published next on Tuesday, April 14. Closing prices on April

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	week	Yield
Amer. Air 15¼ 86 (WW)	55	99⅞	100⅛	0	+0⅝	15.28
Amoco 13¾ 88	75	95½	95¾	+0½	−1½	14.29
CIBC 14½ 84	185	99⅛	99⅞	−0⅛	−0⅛	14.65
CNE 12¾ 91	100	91⅞	92⅛	−0⅛	−1½	14.29
Citicorp O/S Fin. 10 86	300	84⅝	85⅛	−0½	−1⅛	14.26
Citicorp O/S Fin. 12 87	200	90¾	91¼	−0⅛	−1¼	14.16
Con. Illinois O/S 9¾ 86	150	83¼	83¾	−0½	−1⅛	14.42
Dupont Canada 13½ 91	65	95⅛	95¾	−0½	−1⅞	14.36
EEC 11 95 (May)	75	81½	82	−0⅛	−0⅞	14.02
EEC 11 95 (August)	70	80	80½	+1⅛	−0⅛	14.26
EIB 13¾ 90	100	96½	97	−0⅜	−1⅜	14.40
Eldorado 13¾ 86	50	95⅛	95⅝	−0⅛	−1⅝	14.61
Elec. de France 10 88	125	81½	82	−0½	−1⅜	14.17
Elec. de France 13 88	125	94⅜	94⅞	−0½	−1⅞	14.25
Export Dv. Cpn. 9½ 88	150	83¼	83¾	+0⅛	−1⅛	14.50
Fed. Bs. D 12¾ 85 (N)	50	93⅜	93⅞	+0⅛	−1	14.17
Fin Exp. Credit 10½ 85	50	86⅜	86⅞	0	−0⅞	14.95
Finland, Rep. of 9½ 86	100	81⅞	82¼	+0⅛	−1	14.89
Ford Credit O/S 14⅝ 83	150	99	99½	0	−0⅜	14.88
Ford Cr. O/S Fin. 16 84	150	102⅝	103⅛	+0⅛	−1¼	14.63
Gaz de France 13½ 86	80	97⅝	98⅛	−0¼	−1⅜	14.09
GMAC O/S Fin. 12 87	100	89	89½	−0⅛	−1¼	14.63
GMAC O/S Fin. 12⅞ 88	100	91⅝	92⅛	0	−1⅝	14.62
Gen. Mtrs. O/S 11¾ 87	100	88½	89	0	−1⅜	14.48
Genstar 14¾ 91	50	97⅜	97⅞	−0⅛	+0⅛	15.22
GTE Fin. 13¾ 86 (WW)	50	98⅛	98⅝	−0½	−1⅜	14.19
Hudson's Bay 11½ 90	75	85¼	85¾	−0⅛	−1⅝	14.42
IBM Wld. Trade 12½ 88	200	95⅛	95⅝	−0⅛	−1	13.55
Newfoundland 13½ 90	60	95¼	95¾	−0⅛	−1½	14.40
Nova Scotia 10¾ 90	50	81⅜	91⅞	−0⅛	−1⅜	14.44
OKB 10 85	50	87⅜	87⅞	0	−1½	14.00
Ontario Hydro 13½ 91	100	95⅜	95⅞	0	−1⅝	14.33
Quebec Hydro 11½ 92	100	84¼	84¾	−0⅛	−1⅜	14.37
Queb Hy. 13 91 (WW)	100	92¼	92¾	−0⅛	−2	14.45
Royleasa 11¼ 85	50	90¼	90¾	0	−1	14.39
SNCF 12⅝ 85	50	95¼	95¾	−0⅛	−1¼	13.90
SNCF 13 91	75	93⅜	93⅞	−0⅛	−1¼	14.22
Sth. California Ed. 14 87	50	97⅜	97⅞	+0⅛	+0¼	14.62
Sven Handelsbk 13¾ 88	45	95⅜	95⅞	0	−1	14.79
Sweden 12¾ 85	150	93⅞	94⅜	−0¼	−1⅜	14.27
Swed. Ex. Credit 12 83	50	94⅜	94⅞	−0⅛	−0¼	14.64
Swed. Ex. Credit 13 86	75	94	94½	0	−1⅜	14.71
Tribune O/S Fin. 14 86	50	98	98½	−0⅛	−0⅞	14.50
World Bank 9¾ 85	200	86⅞	87⅜	−0⅛	−1⅝	14.03
World Bank 10¼ 87	300	84¼	84¾	−0½	−1⅝	14.15

Average price changes... On day −0⅛ on week −1⅛

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	week	Yield
Asia Dev. Bk. 8⅜ 90	100	90⅞	91⅜	0	−0⅛	9.81
Australia 8½ 90	250	94¾	95¼	0	−0⅜	8.96
Austria, Rep. of 8¼ 92	150	89	89½	−0½	−0⅛	9.82
CECA 7⅞ 92	150	87½	88½	+0¼	−0½	9.66
CECA 10 91	120	102½	103	−0¼	0	9.57
CII-Honeywell 8⅞ 90	125	90¾	91½	+0¼	−0⅞	9.86
EIB 8½ 90	200	91⅞	92⅜	0	−0⅜	9.77
EIB 10½ 91	200	101⅞	102⅜	−0¼	−1⅞	10.13
ESCOM 9¼ 87	100	94⅞	95⅜	+0⅛	+0¼	10.27
Iberduero SA 9 90	100	93⅜	93⅞	0	0	10.09
Ind. Bk. Finland 8½ 90	50	89⅞	90⅜	0	−0⅜	10.12
Int-Amr. Dv. Bk. 10 91	100	99⅝	100⅛	−0¼	−0⅜	9.99
Japan Air Lines 8⅞ 87	100	92⅞	93⅜	0	0	9.53
Japan Dev. Bank 7¾ 87	100	89⅞	90⅜	−0¼	−0⅛	9.73
Kobe, City of 8 90	100	90½	91	−0⅛	−0⅛	9.56
Midland Int. Fin 8½ 90	150	92⅞	93⅜	+0⅛	−0½	9.64
Nuclebras 9¾ 88	100	88½	89½	0	−0½	12.07
OKB 8¼ 92	150	89⅞	90⅜	+0⅛	−0¼	9.78
Oslo, City of 8¾ 90	80	95¼	96	+0½	−0⅞	9.49
Venezuela, R. of 9¾ 90	150	94⅞	95½	+0¼	+0⅛	10.56
World Bank 8 90	700	88⅞	89⅜	+0¼	−0⅛	9.84
World Bank 10 86	150	102½	103	+0⅛	+0⅛	9.32
World Bank 10 90	200	101⅞	102⅜	−0⅛	+0½	9.70

Average price changes... On day 0 on week −0¼

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	week	Yield
Austria, Rep. of 5¾ 90	100	91⅞	92⅜	−0⅜	+0⅛	6.54
BFCE 6½ 91	100	100⅞	101⅜	−0⅛	−0⅜	6.36
Bayer Int. Fin. 5¼ 92	100	†91¼	91¾	−0⅜	0	6.31
Bergen, City of 6 90	50	96⅜	96⅞	+0¼	+0½	6.48
Buhrm'n-Tetterode 7 90	40	101⅜	101⅞	−0⅜	0	6.73
Copenhagen Tele 5¾ 90	60	91¼	91¾	−0¼	+0¼	7.00
Denmark 5¾ 90	80	90¼	90¾	−0½	−2¼	7.17
Dome Petroleum 5¾ 91	100	95½	95¾	−0⅞	0	6.36
Fiat de France 5½ 90	100	93	93½	−0⅛	−0⅜	6.23
Eurofima 5¾ 92	80	†98½	99	−0½	−0⅞	5.90
F. G. H. Hypo. Bk. 6 90	50	†95¾	96¼	−0¼	−0½	6.53
Finland, Rep. of 5½ 90	80	91	91½	0	−0⅜	6.94
Int.-Amer. Dev. 7 90	50	100⅝	100⅞	+0⅛	+0½	6.88
Japan Dev. Bank 5¾ 90	100	95⅞	96⅛	+0⅛	+0⅛	6.35
Jutland Tele. 5½ 90	50	†90	90½	−0¼	0	7.01
Mt Blanc Tunnel 5½ 90	60	92½	92¾	0	0	6.57
Newag 5¾ 90	80	95½	95¾	−0¼	+0¼	6.39
Norges Komm. 4⅞ 91	100	84¾	84⅞	0	−0¼	6.41
OKB 6 90	100	†94½	94¾	−0¼	−2	6.82
Oslo, City of 4¼ 91	100	81¼	81¾	+0⅛	−0⅛	6.90
Oslo, City of 5¾ 90	80	92¾	93	−0¼	−0⅛	6.91
Philips Lamps 5¾ 92	100	91½	92	+0¼	+0½	6.27
Sekisui Pre. Hms 6 90	80	95¾	96¼	−0⅛	−1¼	6.59
Trade Dev. Fin 6¼ 90	50	95	95½	+0¼	−0¼	6.82
Voest-Alpine 5¾ 90	80	93	93¼	+0¼	0	6.75
World Bank 6 91	100	94	94¼	−0⅛	−1⅛	6.64

Average price changes... On day −0⅛ on week −0⅜

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	week	Yield
Australia 5.6 83	30	93⅛	94⅞	0	−0¼	8.49
Australia 6½ 88	20	87	88	+0⅛	−0⅛	8.97
EIB 7⅞ 89	12	93½	94½	0	−0¼	8.78
Finland 5.6 83	10	92¼	93¼	0	−0⅜	8.84
Finland 6.9 88	10	87⅞	88⅞	+0⅛	−0⅛	9.14
Finland, Rep. of 8⅛ 87	15	98¼	99	+0⅛	+0¼	8.88

Average price changes. On day 0 on week −0⅛

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	week	Yield
Bell Canada 10¾ 86 C$	60	90¾	91¼	0	−0¼	13.18
CIBC 13¼ 85 C$	50	97	97½	0	−0¼	14.38
CIBC 11½ 85 C$	60	90½	91¼	0	−0¼	14.46
Federal Dev. 11½ 90 C$	60	†84¼	85¼	−0¼	−0½	14.46
Fst. Can. Inv. 10 84 C$	50	†88	88½	0	−0¼	14.83
R. Bk. Canada 10 86 C$	40	91⅞	92⅞	0	−0¼	12.26
Tordom Cpn. 13½ 85 C$	30	†97	97½	0	−0⅞	14.36
Mr Bk. Dnmk. 9 91 EUA	25	90	91	−0⅛	−0⅛	10.51
SOFTE 8¾ 89 EUA	40	85½	86¼	0	0	10.6
U. Bk. Nrwy. 9½ 90 EUA	18	96⅛	98	0	0	9.9
Algemene Bk. 10¼ 85 Fl	60	96½	97	−0½	−0⅞	11.1
Bk. Mees & H. 10 85 Fl	75	97⅛	97⅝	+0⅛	−0⅞	10.0
Heineken NV 10 87 Fl	100	94¾	95¼	−0⅛	−0⅛	11.
Nat. Nedrlndn. 10 88 Fl	60	94½	95	−0⅛	−0⅛	11.
Ned. Midd. Bk. 10 85 Fl	75	98¼	98¾	0	−0⅛	10.4
Pierson 10¾ 86 Fl	50	97⅞	98⅜	+0¼	−0⅛	10.1
Aero Paris 13¾ 87 FFr	150	93¾	94¾	−0⅛	−0⅛	14.1
Cherb'nages 13⅞ 85 FFr	400	98⅞	99⅛	0	0	14.2
CECA 14¼ 86 FFr	150	99⅞	100⅛	+0¼	+0⅛	14.1
EIB 14¼ 88 FFr	300	98⅜	99⅜	−0⅛	+0⅛	14.3
Gaz de France 11 84 FFr	150	91½	92½	−0⅛	−0⅛	14.6
La Redoute 14¾ 85 FFr	125	95	96	−0⅛	−0½	15.7
OKB 14 86 FFr	400	98⅛	99⅛	+0⅛	0	14.2
Solvay et Cie 14¾ 86 FFr	200	102⅞	103⅛	+0⅛	+0⅛	13.9
Utd. Mex. Sts. 14 85 FFr	150	96¾	97½	0	0	14.8
Acona 14 85 £	20	95⅞	96⅜	0	−0⅛	15.1
Beneficial 14¼ 90 £	20	93	93½	+0⅛	+0⅛	15.5
BNP 13½ 91 £	15	95⅞	96⅜	0	−0¼	14.2
CECA 13½ 88 £	20	96½	97	+0⅛	0	14.2
Citicorp O/S 13½ 90 £	50	95⅛	95⅝	0	−0¼	14.3
Fin. Exp. Cred. 13¾ 86 £	15	97⅜	98⅛	+0⅛	−0¼	14.3
Fin. for Ind. 14½ 88 £	20	100	100½	0	+0¼	14.3
Gen. Elec. Co. 12½ 89 £	50	93¼	94	0	−0⅛	13.8
Peugeot SA 14 90 £	23	94¼	94¾	0	−0⅛	15.1
Rothschild 14½ 90 £	12	97⅜	97⅞	−0⅛	−0⅛	14.7
Royal Trustco 14 86 £	12	98⅜	99⅛	0	−0⅛	14.2
Swed. Ex. Cr. 13½ 86 £	20	97⅝	98⅛	0	−0⅛	14.3
Banobras 8¼ 90 KD	7	†91½	92	0	0	9.6
CCCE 8¾ 91 KD	10	†82½	83	0	0	11.0
Sonatrach 8½ 90 KD	12	†94	94½	0	0	9.4
Akzo 9¼ 87 LuxFr	500	93½	94½	+0⅛	+1	13.0
Euratom 9¾ 88 LuxFr	500	86	87	+0¼	+0⅛	12.8
Eurofima 10½ 87 LuxFr	500	88	89	0	+0½	13.2
EIB 9¼ 88 LuxFr	600	87½	88½	+0⅛	+1¼	12.4
Volvo 9¾ 87 LuxFr	500	83½	84½	+0½	−1½	13.5

FLOATING RATE NOTES	Spread	Bid	Offer	C.dte	C.cpn	C.yld
Allied Irish Bank 5¼ 87	0¼	93½	93¾	2/7	16⅞	16.73
Bank of Montreal 5¼ 90	0¼	98⅞	100⅛	18/8	19½	19.52
Bank of Tokyo 5¼ 89	†0⅜	98⅞	99¼	25/4	19.31	19.51
BBL Int. 5 86	0¼	99⅜	99⅞	20/5	16½	16.56
Bergen Bk. A/S 6 89	†0¼	†99⅝	99⅞	29/5	17¼	17.32
BNP 5½ 88	†0¼	99¼	99¾	29/4	18.69	18.79
CNT 5¼ 88	§0¼	99⅛	99⅝	16/4	13¼	13.30
Christiania Bk. 5½ 91	†0¼	97½	98	5/5	17¾	18.16
Citicorp O/S F. 84	†0	98⅞	99⅛	20/4	15.44	15.57
C. Itoh 5¼ 87	0¼	99⅝	99⅞	18/9	15.44	15.53
Co-operative Bk. 6 88	0¼	97⅞	98⅛	15/5	15⅝	15.68
Den Norske Credit 6 90	†0¼	98⅜	98⅞	5/5	17⅞	18.04
Genfinance 5¼ 87	0¼	99	99½	30/4	15⅞	15.24
Giro und Bank 5¼ 91	†0¼	97⅜	98⅛	23/6	14.08	14.37
GZB 5½ 89	†0¼	98⅜	98⅞	1/5	17⅞	18.12
Ind. Bank Japan 5¼ 87	0¼	99⅛	99⅝	15/4	13.31	13.40
Ind. Bank Japan 5¼ 88	0¼	99	99½	9/10	16.84	16.88
Lloyds Eurofin 6 90 £	0¼	97	97½	3/7	14½	14.91
Lloyds Eurofin 5¼ 92	0¼	98½	99	4/8	17¼	17.47
LTCB Japan 5¼ 85	0¼	100⅛	100⅝	13/6	20.19	20.11
Man. Hanov. O/S 5¼ 94	†0¼	98⅜	98⅞	30/5	17	17.24
Midland Intl. Fin. 5¼ 92	0¼	98⅜	98⅞	5/6	17.19	17.43
Nacional Fin. 6¼ 86	0¼	99½	100	26/7	17¾	17.79
Nacional Fin 5¼ 88	0¼	97⅞	98⅜	25/9	14⅞	15.16
Nat. Bk Canada 5¼ 88	0¼	99	99½	24/9	5½	5.34
Nat. West. 5¼ 94	§0¼	97⅞	98⅜	14/4	13⅜	13.59
Nat. West. 5¼ 92	§0¼	97⅞	98⅜	23/4	13.69	13.99
Pemex 6 91	0¼	97⅞	98⅜	8/4	8	8.11
Sparebanken 6 87	0¼	99½	100	19/6	19⅞	19.92
Standard Chart. 5¼ 90	0¼	99¼	99¾	3/9	17.06	17.13
Svenska Hndlsbk 5 87	0¼	99½	100	15/7	17.81	17.88

Average price changes.. On day 0 on week −0⅛

CONVERTIBLE BONDS	Cnv. date	Cnv. price	Bid	Offer	Chg. day	Prem
Bow Valley Inv. 8 95	4/81	23.12	96½	108	+0½	22.3
Canon 6¾ 95	1/81	829	124⅜	125⅜	−1½	−3.3
Credit Suisse 4¾ 93	10/79	1275	97	98	0	3.9
Digicon Fin. 8½ 95	10/81	29.6	†107	108½	0	5.0
Ina Overseas 8¼ 2000	4/81	42	†106	107	+0¾	3.1
Inchcape Ltd. 8 95	2/81	6.55	95½	96½	0	1.3
Jaccs 7½ 95	11/80	555	132½	133½	−0⅜	16.8
Kotobukiya Co. 7 96	4/81	619	†101½	102½	−1⅛	−5.6
Marion Int. Fin 8 95	12/80	15.5	†87½	88½	−0⅞	22.9
Matsushita El. 7½ 95	11/80	590	113⅛	114¼	−0⅛	−2.2
MEPC 8¼ 96	2/81	2.47	99½	100½	+0¼	10.9
Niigata Eng 7½ 96	1/81	327	†108⅞	109½	−1¼	13.4
Nissho-Iwai Co. 8 96	10/80	398	85	87	−0⅜	2.8
Ricoh 6½ 95	8/80	604	118⅛	119⅛	−2	−1.3
Sumitomo M. Ind. 7 95	2/81	181	†131½	132½	−1⅛	3.7
Swiss Bk. Cpn. 6¼ 90	9/80	200	82	84	0	14.3
Taylor Woodrow 8¼ 90	1/81	4.94	105½	106½	+8⅛	1.0
Tokyu Land Cpn. 7¾ 96	4/81	325	†101½	102½	+0¼	3.1
Transco Int. 8½ 95	2/81	68	†89⅛	90⅛	−0½	38.5
Tricorp 8½ 95	12/80	11.25	†93½	94½	+1½	13.8
Union Bk. Switz. 5 89	2/80	171.4	20½	82¼	−0⅛	−8.9
Fujitsu 5 84 DM	7/79	431.5	153⅛	154⅛	0	−1.8
Sharp Con 6⅛ 86 DM	9/80	586	159⅛	160⅛	0	−0.9
Uny Co. 6¼ 85 DM	11/79	979.3	105¼	108½	+1⅛	1.9

* No information available—previous day's price.
† Only one market maker supplied a price.

Straight Bonds: The yield is the yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week=Change over price a week earlier.

Floating-Rate Notes: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C.dte=Date next coupon becomes effective. Spread=Margin above six-month offered rate († three-month; § above mean rate) for U.S. dollars. C.cpn=The current coupon. C.yld=The current yield.

Convertible Bonds: Denominated in dollars unless otherwise indicated. Chg. day=Change on day. Cnv. date=First date for conversion into shares. Cnv. price=Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem=Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

هكذا من الأصل

OVERSEAS STRENGTH OFFSETS RECESSION

Earnings gain 11% at Bayer

BY KEVIN DONE IN FRANKFURT

BAYER, the West German chemicals group and one of the world's three largest chemicals concerns, managed to escape the worst of the recession in the chemicals industry last year and in contrast to many of its domestic and foreign rivals succeeded in boosting its profits in 1980.

Group pre-tax profits rose by 11.5 per cent to DM 1.56bn ($732m), while sales rose by 10.9 per cent to DM 28.8bn ($13.5m).

Bayer benefited from its strength in foreign markets, where it derives about 70 per cent of group sales, and its concentration on speciality chemicals meant that it was less affected by the rapid rise in energy and raw materials costs.

The performance of the parent company still shows the impact of the recession in the German chemicals industry last year, however, with a 9.6 per cent fall in pre-tax profits to DM 823m on a turnover that rose only modestly by 3.5 per cent to DM 11.82bn.

The sudden drop in demand in the third quarter last year led to a sharp fall in prices for some chemicals products as companies fought to hold on to market share. Bayer said yesterday that its domestic profitability had also been hit because weak demand meant that it was forced to run plants at lower capacity levels in some divisions.

In the first weeks this year there has been some recovery in sales, however, and the company has been able to give up short-time working in its dyestuffs and organic chemicals operations.

Of parent company sales, some 62.2 per cent were derived from abroad compared with 61.7 per cent in 1979. Export sales held up more strongly, increasing by some 4.5 per cent, while turnover in West Germany rose by only 1.9 per cent.

Bayer's performance worldwide shows up particularly strongly against its big domestic rivals, BASF and Hoechst. BASF this week announced a drop of 25.4 per cent in group pre-tax profits, while Hoechst is also understood to have suffered a fall of 10 to 15 per cent in group profitability.

The Bayer figures have been helped, however, by a favourable comparison with 1979. Last year the group eliminated the heavy DM 117m loss accumulated in 1979 by its Agfa-Gevaert photo products subsidiary, which was hit badly by the speculative surge in silver prices in late 1979. That deficit has been turned into a profit of more than DM 50m in 1980.

In addition, Bayer's important Brazilian subsidiary has again produced a healthy after-tax profit of DM 30m in contrast to the loss of DM 5.8 in 1979, caused partly by a sudden, unexpected devaluation in the Brazilian currency. In the U.S., Bayer's pharmaceuticals subsidiary Miles also managed a sharply improved profit of $7.43m compared with $2.41m in 1979.

Overall, the Bayer performance in 1980 was also assisted by the weakness of the D-Mark against the U.S. dollar. Only about a third of Bayers purchases of raw materials are transacted in dollars, while the U.S. currency plays a major role in Bayer exports.

VW cuts dividend as car demand slumps

By Our Frankfurt Staff

VOLKSWAGEN, West Germany's largest motor car manufacturer, has been forced to cut its dividend by 20 per cent to DM 8 a share as a result of the sharp recession in West German and foreign motor markets. The VW dividend had been steadily rising since the mid-1970 boom years of the German motor industry.

The group recovered quickly from the crisis years of 1974-1975, when it fell into losses and had to pass its dividend, and since 1976 has been able to raise its dividend annually reaching a peak of DM 10 in 1979. However, the company decided yesterday that following a sharp fall in profits during 1980, the dividend would have to be cut.

Full profit figures for 1980 have not yet been released, but group after-tax profits slumped by some 42.2 per cent in the first nine months of the year with losses accruing in the U.S. and in Brazil. In the first nine months, after-tax profits totalled DM 252m ($118m) compared with DM 436m.

Volkswagen's profitability has come under pressure too as a result of the recession in the domestic car market. Its total registrations—including its Audi subsidiary—in the Federal Republic dropped last year to 736,109 vehicles compared with 827,208 in 1979.

Its market share declined to 30.3 per cent from 31.5 per cent. This year market share has fallen further, declining in January and February to 28 per cent.

The recession has also meant that VW has had to introduce short-time working at several of its plants in recent months.

Jacques Borel Internatonal in the black

By Our Paris Staff

THE SALE of its Sofitel hotel chain helped Jacques Borel International, the former Paris glamour stock which fell from grace about four years ago, pull back into profits last year.

The catering group said yesterday that the sale of Sofitel, which was bought for FFr 61m ($12.4m) by the rival Novotel hotel group, had to be set against provisions for depreciation and taxes. Even without this exceptional profit from the hotels deal, the group would have managed to break even for the year.

Consolidated net profits for the year amounted to FFr 31.9m ($6.5m) compared with a loss of FFr 37.7m in 1979. Sales for the year amounted to FFr 2.13bn against FFr 2.29bn previously.

The fall in turnover, the group says, was mainly due to the sale of Sofitel, which no longer appeared in the group accounts last year. But it was also affected by similar disinvestments involving its restaurant activities in Belgium, Holland, Portugal, the Balearic Islands and the Canaries.

On a comparable basis, it adds, turnover rose by 12.5 per cent from FFr 1.9bn to FFr 2.1bn.

VMF-Stork reduces net loss

BY CHARLES BATCHELOR IN AMSTERDAM

VMF-STORK, the troubled Dutch engineering group, reduced its net loss in 1980 in spite of making further large provisions to meet restructuring costs. It reported a sharp improvement in its results in the second half of the year.

The net loss, after extraordinary items, fell 31 per cent to Fl 25.8m ($11m) on turnover which was 14 per cent higher at Fl 1.84bn ($780m). The company once again is not paying a dividend after last distributing Fl 14 per Fl 100 nominal share in 1975.

VMF-Stork made a profit of Fl 13m in 1980, compared with a loss of Fl 700,000 the year before at the operating level, after depreciation, research and development costs and licence income.

The net loss before extraordinary items was cut to Fl 1m from Fl 17.7m the year before. The company reduced its interest bill by almost a third to Fl 4.4m while the tax charge was slightly lower at Fl 12.6m.

Consolidated group companies showed a loss of Fl 6.8m against a loss of Fl 20.1m the year before. Only profits of Fl 5.8m from non-consolidated companies (Fl 2.4m in 1979) led to the reduction of the net loss to Fl 1m.

VMF-Stork made no further provision for political risks following the Fl 15.5m reserved in 1979. However, it set aside Fl 24.8m for restructuring compared with only Fl 4.1m previously.

The company's share in the losses of its diesel engine division, Stork Werkspoor diesel, fell to Fl 1m from Fl 2.1m. VMF-Stork owns just under half of Werkspoor Diesel after the state holding was increased in 1978.

The net loss, before extraordinary items, includes a loss of Fl 12m from Stork Ketel en Apparatenbouw, the group division which makes power station boilers. The Dutch Government is currently preparing to restructure this industry and has promised VMF-Stork conditional support to bridge the period until a final decision is taken.

VMF-Stork's order book increased by 3 per cent in 1980 to Fl 1.78bn at the end of the year. The company's workforce declined by 620 to 15,074, a drop in the Netherlands being partly compensated for by an increase abroad.

PUK confirms chemical talks with Occidental

By Our Financial Staff

Pechiney Ugine Kuhlmann, the French metals and chemicals group, confirms that it is negotiating the sale of certain chemical activities with Occidental Petroleum of the U.S.

M. Bes de Berc, the newly-appointed president of Produits Chimiques Ugine Kuhlmann (PCUK), PUK's chemical division, told a meeting of employees' representatives that while no definitive agreement had been reached, Occidental "appears to offer at present, subject to certain modifications, possibilities for co-operation."

The French Government, which would have to approve any sale to Occidental, is also known to oppose the acquisition of a major portion of the French chemical industry by foreign interests.

PCUK contributed FFr 8.6bn of PUK's sales of FFr 38.1bn ($7.6bn) last year.

Tighter interest margins hit Hypo Bank profits

BY STEWART FLEMING IN MUNICH

TIGHTER INTEREST margins, securities write offs and a cut in income from associated companies have hit earnings at Bayerische Hypotheken- und Vechsel-Bank (Hypo Bank), seventh largest in West Germany with group assets of DM 84bn.

But the bank's strong position in mortgage lending business has helped stabilise its profitability in a year which has seen several of the major German banks reporting poor earnings.

After-tax earnings of the Munich-based German parent bank (total assets DM 57bn) fell from DM 91m to DM 64m ($30m). Dr. Wilhelm Arendts, chief executive of the bank, said that a DM 20m decline in income from associated companies as well as a narrowing of interest margins in comparison with 1979, were factors behind the decline. For the group as a whole, which for the first time had consolidated its Luxembourg subsidiary, net income fell from DM 117.6m to DM 92.8m.

Hypo Bank, which last year announced that it was raising DM 185m of new capital through a rights issue to shareholders, disclosed earlier this month that it was following moves by some other leading German banks and cutting its dividend from DM 9 a share to DM 7 a share.

The bank is one of the few German commercial banks permitted to carry out both mortgage and commercial banking in its parent company and it is clear that the relative strength of the mortgage side of the business has underpinned the bank's earnings. While interest earnings overall in the parent bank rose only 2.1 per cent, interest earnings of the mortgage business were 5.8 per cent higher.

Ercole Marelli suspended

BY JAMES BUXTON IN ROME

TRADING IN the shares of Ercole Marelli, the Milan-based engineering company, were officially suspended on the Milan Bourse from yesterday following heavy speculative pressure. In the past two days the share price has fallen by 26 per cent to L197, having started the year at L341.

The company says it is urgently searching for a solution to its pressing financial problems, and does not exclude seeking the appointment of a special supervisor, a form of receivership provided for under recent legislation.

A shareholders' meeting has been called for next month and is expected to discuss a big write-down of the company's capital currently standing at L18.53bn.

The group has reported losses for the past four years. In 1979 it lost L6,59bn ($6.2m) on net turnover of L213.43bn.

Hongkong Land sets record

BY ADRIAN BOVEN IN HONG KONG

A RECORD profit for Hong Kong was set yesterday by the Hongkong Land Company which reported total earnings for 1980 of HK$2.27bn (US$426m), the bulk of it in extraordinary gains from the sale of almost its entire holding of Hongkong and Kowloon Wharf.

The group, which owns 5.5m square feet of building space in Hong Kong, much of it in prime commercial property, announced that earnings after tax and minorities came to HK$651.5m, up 116 per cent from the HK$301.5m in 1979, with all divisions showing strong growth during the the year. Of the extraordinary profit of HK$1.62bn, some HK$277m came from the sale of an office tower early in the year and the remainder from the sale of the Wharf shares.

The final dividend was set at 19 cents a share, making an adjusted total for the year of 28 cents a share, up 44 per cent from 1979, and shareholders will also get a special dividend of 22 cents a share to be paid out of the extraordinary profits. In addition, the group has declared a one-for-four scrip issue and predicted that dividends on the increased capital will be at least maintained at 28 cents a share.

Mr. Trevor Bedford, the executive director, also announced that Land has increased its shareholding in Jardine Matheson to 40 per cent and that the purchases on the market cost more than the income from the sale of the Wharf shares. Hongkong Land held about 30 per cent of Jardine in September after a series of stock and property shuffles that the two groups organised to build up their crossholdings and thus defend themselves against a potential takeover bid by some of Hong Kong's major Chinese property developers. Jardine's shareholding in Land also currently stands at about 40 per cent and the two groups are to equity-account for each other's profits in 1981.

Land's holding of Wharf was built up to about 20 per cent over several years with the bulk of the shares acquired in a stock shuffle with Jardine in 1979, when it became apparent that the shipping magnate, Sir Yue-kong Pao planned to wrest control of Wharf, which holds valuable waterfront property in Hong Kong, away from Jardine.

Mr. Bedford also announced that Land adopted a policy in 1980 of revaluing a third of its property assets each year and the revaluation for 1980 showed a surplus of HK$6.44bn which gave a net asset value per share of about HK$9.50. He said that if the remaining two-thirds were to show a similar increase in market value, Land's net asset value per share would stand at between HK$14 and HK$16. The stock closed on the market yesterday at HK$10.9, for a gain of 20 cents, against the trend of the market.

Mr. Bedford added that the group's gearing stood at about 15 per cent and long-term debt was reduced during the year to about HK$ 1.4bn from HK$ 2.3bn, largely because it paid off a debt on the office building it sold.

About 70 per cent of Land's property profits in 1980 derived from property investments, and 30 per cent from property trading. Land had a reputation several years ago for slow profit growth, because almost all its profits derived from property investment. But this has changed, and Mr. Bedford said he considered an ideal ratio to be 60 per cent investment and 40 per cent trading.

● The previous Hong Kong profit record was set this week by Cheung Kong Holdings, the property group headed by Mr. Li Ka-shing, with a year's earnings of HK$ 1.5bn, topping the HK$ 1.43bn announced in March by Hongkong and Shanghai Banking Corporation.

BORROWER PROFILE — ARGENTINA

Test for market under new regime

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT

BIDS close today on a $150m Eurocredit for Argentina's highway concern Autopistas Uurbanas, the first loan to be arranged for an Argentine public sector borrower since the installation of the new Government under General Roberto Viola.

The loan is bound to attract considerable attention in the Euromarkets because most bankers who follow Argentina *believe that margins on its* foreign borrowings are poised to rise despite the emergency package of economic measures introduced by the new Government on April 1.

Optimism expressed by the new Economy *Minister*, Sr. Lorenzo Sigaut, at this week's Inter-American Development Bank meeting in Madrid that margins could be held steady for a time and reduced later in the year finds virtually no echo in the banking community.

Some bankers attending the Madrid meeting said it may be possible for Argentina to find a group of banks willing to lead manage the Autopistas credit on the basis of a $\frac{3}{4}$-$\frac{7}{8}$ split margin, the same as that prevailing on recent deals.

But if this happens the loan *will have to proceed on a club* basis as the chance of selling sub-participations in the market would be very small. A marketable rate for Argentina would now have to involve spreads of $\frac{7}{8}$-1 per cent, they said.

The reasons for the deterioration in Argentina's international credit rating are not hard to find. Under the previous regime a high interest rate policy led both to the maintenance of an unrealistic exchange rate and a fierce squeeze on domestic industry and banks.

Sr. Sigaut hopes that the 23 per cent devaluation announced on April 1 coupled with smaller regular devaluations from now on will allow domestic interest rates to drop and save the balance of payments as much as $3bn in 1981.

But international bankers are not so sanguine. They suggest that the savings to the current account balance of payments may only be as little as $1bn, which would leave the final outturn this year at some $4bn, to $4.5bn little changed from last year.

Concern also continues about the precarious state of the domestic economy. In recent days this has been heightened by news that one major private sector company, Cellulosa Argentina, is having to sell off assets *as part of a restructuring programme.*

Against this background *Argentina faces some tough* negotiations with the banking community in defence of its credit rating. It will not be helped in this by the departure of Dr. Francisco Soldati, the Central Bank Director, who has until now been responsible for negotiating public sector loans abroad.

Dr. Soldati enjoyed a reputation as a very hard bargainer who wielded firm control over the country's foreign borrowing. He is credited with Argentina's success in driving margins down to $\frac{1}{2}$-$\frac{5}{8}$ per cent over London interbank offered rate (Libor) last summer.

No replacement has been named *as yet and meanwhile* bankers expect Argentina to allow its public sector entities a more flexible access to the Eurocredit market.

Sr. Sigaut said he expects Eurocredits raised by such entities to amount to some $2.5bn this year, about the same as in 1980.

But, in view *of their more* pessimistic projections for the balance of payments, international bankers suggest that an amount of $3.5bn to $4bn might be a more accurate forecast. This will mean a stronger presence of Argentina in the market this year, adding to the upward pressure on margins.

U.S. bankers feel that Argentina would do well to consider floating credits with a margin set over U.S. prime rate rather than over Libor. This would draw U.S. regional banks into Argentine lending as well as permitting a lower margin than that needed for a Libor based credit.

Sr. Lorenzo Sigaut, Economic Minister

But Sr. Sigaut said that Argentina will continue to resist such an option as it feels prime based credits are more expensive it terms of total interest cost.

On the positive side he recalled that Argentina has a record 36m tonne grain harvest this year, while in the longer term the balance of payments could be *helped by the recent* oil find off the straits of Magellan.

Alcoa in A$700m plan to produce caustic soda

BY OUR SYDNEY CORRESPONDENT

ALCOA AUSTRALIA, a subsidiary of Aluminum Company of America, of the U.S., has completed initial investigations into the construction of a $700m petrochemical plant in Western Australia and is now holding discussions with the State's Government before a more *exhaustive study is undertaken.*

The plant would produce caustic soda—a vital product in *the company's aluminium* refining operations, and one which will also be in demand by other companies endeavouring to establish operations of the latter kind in the State.

The preliminary, internal, study has shown possibility of such a project being economically workable, and according to a senior company official; a "full blown" feasibility study is to commence within the next *two months.*

A final decision will have to be made within the next two years if the company *is* to have any hope of having the petrochemical plant operational by the mid-eighties, when all smelters at present planned will be reaching full capacity.

By 1985, Alcoa will be operating refineries in Western Australia at Kwinana, Pinjarra and Wagerup, which combined will call for 450,000 tonnes of caustic soda annually.

In addition, the Worsley refinery—being built by a consortium comprising Broken Hill Proprietary, Shell Australia, the offshoot of Royal Dutch-Shell and the Reynolds Metals group of the U.S.—will have need for a further *150,000* tonnes annually at full capacity.

Without the petrochemical *plant, almost all the needs* would have to be imported, as existing plants in other states could satisfy only the demands of projects on the east coast.

The price of caustic soda has accelerated rapidly, rising from $100 a tonne in 1979 to its present level of $330. Alcoa has been sheltered from this spot *price rise through medium term* contract arrangements, but transport costs represent about a quarter of the landed costs.

A great portion of the full-scale feasibility study will concentrate on establishing the availability of ethane from the North West Shelf to be used as feedstock *for the chlor-alkali* plant. Salt from Western Australian sources will be employed in the process from ethane to caustic.

The study will be undertaken as the company prepares to defend itself against legal action in the U.S. initiated by two Australian conservation groups.

The groups, the Conservation Council of Western Australia and The Campaign to Save Native Forests, are alleging in a class action that Alcoa and the Reynolds group are destroying a unique forest through bauxite mining. They are also taking action to control pollution through proposed refining projects.

No date for the case has been set down, *but* Alcoa has sought and has been granted one delay in the presentation of its case.

Expansion by Reliance Textile

By R. C. Murthy in Bombay

SALES OF Reliance Textile Industries (RTI) rose by 34 per cent to Rs2.03bn ($543m), in 1980 while profits before tax were 31 per cent higher at Rs292.5m ($78m) against Rs196.2m in 1979. The limited rise in profits, says Mr. D. H. Ambani, the chairman, was due to price inflation, a coal shortage, and power restrictions.

Reliance has grown quickly with sales trebling in four years. It has planned its ex*pansion and modernisation pro*grammes to take advantage of tax incentives for investment and has *not paid any tax for the* past four years. Post-tax profits, therefore, rose from Rs82.12 in 1979 to Rs112.06m in 1980.

Company policy is to constantly update its technology by importing *the latest textile* machines and produce high quality products, for which it charges reasonably high prices.

Reliance has budgeted for Rs300m of capital expenditure in 1981. It is installing imported automatic shuttleless Sulzer looms valued at Rs190m, it has taken over an ailing textile unit, Sidhpur Mills and proposes to modernise its spinning and weaving plants.

It has also secured a licence from the Government to set up a plant costing Rs780m to make *10,000* per year of polyester filament yarn. Du Pont of U.S. has been chosen for technical *collaboration. Since the project* is expected to be commissioned during the second half of 1982, the company's profit for the next two years will be exempted from tax.

Gulf Riyadh Bank trebles earnings

By Mary Frings in Bahrain

GULF RIYADH Bank EC has increased its profits for 1980 by 204 per cent, to $4.01m, from $1.32m in 1979. The, offshore, bank was the first exempt company to be registered in Bahrain in *1978*.

The shareholders are Riyadh Bank, with 60 per cent and Credit Lyonnais. It has a paid-up capital of $8m. Total assets increased by 17 per cent to $825m, and gross revenue grew by 69 per cent to $83m.

Lower palm oil prices cause setback at Kulim

BY WONG SULONG IN KUALA LUMPUR

KULIM, the large plantation group based in the south Malaysian state of Johore, *suffered a 22 per cent fall in* group pre-tax profit for the year to December from 17m ringgit to 11.5m ringgit (US$5m) be*cause of poor palm oil prices.*

The company has 32,000 acres of plantations, and depends on palm oil for more than 80 per cent of its revenue. It said the year had been a difficult one with the steady decline in palm oil prices aggravated *by a* labour shortage, which was particularly severe in Johore.

After a lower tax charge net *profit was 9.8m ringgit, com*pared with 10m ringgit previously and the group is maintaining the final dividend at 14 per cent for an unchanged total of 24 per cent.

CUB revalues assets

BY OUR SYDNEY CORRESPONDENT

CARLTON and United Breweries, Australia's biggest brewer, has countered suggestions that it is threatened by a takeover move by announcing a major *asset revaluation and improved* profitability.

Carlton's share price leapt 65 cents to A$3.20 a share—giving a market capitalisation on the 103m shares in issue of some A$330m (US$380m)—in Melbourne on *Tuesday* morning, prompting the stock exchange to seek explanation.

After CUB's reply to the exchange's queries, the shares slipped back on Tuesday to close at A$2.85, on the relatively small trading volume, in relation to the capital, of 250,000 shares. On Wednesday the shares rose 15 cents to A$3, *on* turnover of 230,000, with one broker buying 100,000, but yesterday there was a fall to A$2.95. The shares are mainly held by institutions, with the largest single holder controlling some 4m shares.

In response to the exchange's queries, the CUB directors said they were not aware of any information which could have affected the group's share price.

They took pains, however, to point to solid earnings potential after the 2.5 per cent increase in profits to A$12.79m (U.S.$14.9m) in the half-year to December 31.

The increase in profits for the year to date, as compared with *the corresponding period* last year, had advanced from the 2.5 per cent at half-year to approximately 8.5 per cent for the first eight months, the management said.

Profits of the group for the full year should be significantly greater than those *for the year* before.

In late February, CUB had instructed valuers to prepare a revaluation of the majority of its properties and some other non-current assets, the directors said.

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COMMODITIES AND AGRICULTURE

£9m EEC aid to the Hebrides

By John Cherrington in Brussels

IT EMERGED yesterday that as part of the EEC price fixing on April 1 it has been decided that aid to less favoured areas will be applied to selected areas such as the *Lozere* in France, south-east Belgium, and the islands of Scotland. The aid to the Hebrides will include 15m ECUs (equivalent to £9m) from the Community as long as the UK will match this sum.

The money will be applied to improving the infrastructure, transport, forage supplies, fishing piers and so on to try and make the area self-supporting as an integrated community.

This is far from being the first time attempts have been made to improve the economic prospects in the Western Isles. They began with the Crofting Acts, individual attempts by such as the late Lord Leverhulme and various grants and subsidies.

They have not yet achieved much success except to delay the departure from the islands of a population which found it extremely difficult to compete with the rigors of the climate and the distances from markets and supplies.

EEC spokesmen admitted that it was becoming increasingly difficult to find funds for such areas because of the low political muscle they can wield. And also because under the Common Agricultural Policy the rich agricultural areas naturally secure the lion's share of the resources.

Brittany turkey plant criticised

BRITISH Poultry Federation chairman Mr. John Maunder, commenting on reports about the threat to the British turkey industry from a heavily-subsidised new French plant in Brittany capable of supplying the whole of the UK market, said yesterday "It is clear that both the French government and the EEC regard the subsidies as perfectly legal and proper."

Mr. Maunder added: "Nonetheless it still constitutes unfair competition for us and threatens our viability because this company is able to undercut our prices by reason of the handouts they have received.

"The EEC is already more than self-sufficient in turkeys. *This project will stimulate* more production, which will create additional problems to a market that is already under stress."

Talks continue on tin price

BY JOHN EDWARDS, COMMODITIES EDITOR

THE International Tin Council was still locked in talks last night over the producing countries' demand for a rise in the buffer stock price range, set under the International Tin Agreement.

Producers are reported to be seeking a rise of some 10 per cent in the Agreement's "floor" and "ceiling" prices, which are protected by the buffer stock, in order to keep up with the inflation in production costs during the last increase a year ago. But certain consumers, notably the U.S., are arguing that no rise is justified in view of the world surplus supplies of tin that have pushed prices close to the lower range of the Agreement.

The present buffer stock range agreed last March and amended in January to allow for the change in the Penang smelter pricing system, is a "floor" of 27.28 Malaysian dollars per kilo to a "ceiling" of M$35.47. The buffer stock does not normally intervene in the market when prices are in the middle band of M$30.01 to M$32.74. The price in Penang on Wednesday night was M$31.17, but consumer countries pointed out that a 10 per cent rise in the range would put current market prices in the lower price range of the Agreement where the buffer stock manager is entitled to start support buying at a time when production is continuing to exceed sluggish demand.

Meanwhile on the London Metal Exchange yesterday a shortage of supplies immediately available pushed the cash tin price up by £135 to £6,425 a tonne, establishing a premium over the three months quotation that rose by £42.5 to £6,385.

Traders said there was a particular problem over deliveries due on April 21, but it was felt to be a technical market situation rather than marking any great surge in demand. Nevertheless it is a fact that there has been considerable speculative buying in recent weeks *anticipating producers* forcing through a rise in the Tin Agreement price range this week.

Other metal markets were subdued, reflecting the fall in gold. Copper cash wirebars lost £9.5 to £829 a tonne, following several further reductions in U.S. producer prices.

Cash zinc also lost £3.5 to £375.5 a tonne, in spite of several other European smelters who decided to raise their prices by $50 to $875 a tonne in line with the increases announced by other producers and smelters this week and last.

French confused by UK farm stance

BY RICHARD MOONEY

FRENCH FARMERS are confused by apparent inconsistencies in Britain's attitude to the EEC Common Agricultural Policy, Mr. Peter Walker, the Agriculture Minister, was told this week.

M. Francois Guillaume, president of the Federation of French Farmers' Unions, visiting Britain this week at the Government's invitation, professed "incomprehension" on certain British attitudes.

"While regretting the cost of the CAP, Britain has insisted on maintaining a consumer butter subsidy which has brought no extra consumption, and has secured the continuation of *deficiency payments on lamb* and beef," M. Guillaume said.

On the other hand he was surprised that a Government concerned with the interests of consumers had failed to take the opportunity to reduce shop prices of food by cutting MCA import levies.

M. Guillaume said he was further confused by Britain's defence of butter and lamb imports from New Zealand. It was time, he said, for the basic EEC food strategy to be properly defined. The English *approach seemed to be to allow* low-priced imports while the French wanted to develop Europe's own agricultural resources. So far these two attitudes had been neutralising each other.

He said he had written to M. Giscard d'Estaing suggesting that efforts should be made at the next EEC summit to define the role Common Market agriculture was expected to play.

Surplus EEC food aid sought

By Larry Klinger in Luxembourg

DELEGATES representing the developing countries grouped together in the Lomé trade and aid agreement with the European Community yesterday made clear that they expected "similar treatment to Poland" on sales of EEC subsidised surplus food.

The opening shot in the food aid debate at the two-day ministerial meeting of the Lomé Convention in Luxembourg came when Mr. S. R. Insanally, the Guyana ambassador to the EEC, declared that "stability is not enough."

He was referring to an EEC offer to extend an existing arrangement under which Community agriculture products are sold on fixed contracts to ACP countries for up to a year's duration at preferential but commercial rates. The developing countries are demanding long-term contracts fixed at below world prices which are already generally lower than EEC levels.

The EEC recently made emergency arrangements to sell Poland grain, dairy products and sugar at 15 per cent below world market prices coupled with financial credits made available by Community member countries.

New Orleans rough rice contract

WASHINGTON — The Commodity Futures Trading *Commission* (CFTC) *yesterday* approved a proposal by the newly designated New Orleans Commodity Exchange to trade a rough rice futures contract.

The new exchange gained Commission approval as a contract market to trade a milled, long grain rice contract at a CETC meeting in February.

The commission approved the proposal by a method in which a CFTC staff recommendation to approve the contract was circulated to the commissioners privately.

The New Orleans Commodity Exchange *is scheduled* to open for trading tomorrow.

Both the long grain, milled and the rough rice contracts to be traded on the new exchange call for delivery at Gulf ports.

Total world production of rice in the 1980-81 crop year is expected to reach a record 266.0m tonnes, up from 253.1m in 1979-80, according to trade estimates. Total world usage was estimated at 264.3m.

JAMAICAN SUGAR

Tate & Lyle rescue plan

BY CANUTE JAMES IN KINGSTON

THE JAMAICAN Government is willing to accept a proposal from the Tate and Lyle, the UK based group, to take over the management of the island's ailing sugar industry, provided the company will revise some of its plans.

The company's proposals were put to the government in February, after initial discussions in December. They are aimed at giving Tate and Lyle a seven-year management contract.

Mr. Percival Broderick, Jamaican Agriculture Minister, this week indicated that the government was favourably disposed towards the proposals, if certain points, which are more politically than economically unacceptable, could be revised.

"*The sugar industry authority* has recommended that Tate and Lyle be asked to send a team to Jamaica to re-examine the recommendations in the company's proposals and to revise these proposals in a way that will be acceptable to both the Jamaican sugar industry and to Tate and Lyle," Mr. Broderick said.

The Minister said that "some of the recommendations in the Tate and Lyle proposals concerning the exclusion of the unions and the role of the suger co-operatives were totally unacceptable to the government."

He noted that the company's proposals are aimed at the eight state-owned suger factories which produce about 75 per cent of the island's raw sugar. Ironically they were run by Tate and Lyle before being taken over by the Jamaican Government eight years ago.

The factories are now run by the National Sugar Company, a state agency, whose operations have been marked by continuing losses over the past five years. The eight factories have a capacity of 330,000 tonnes, but production last year totalled 180,000 tonnes.

The fall in National Sugar's production reflects the decline in the country's total sugar output, which last year totalled 243,000 tonnes, the lowest figure in the past three decades. The current crop is expected to produce only 230,000 tonnes.

Tate and Lyle in its proposals says that sugar production is essentially a fixed-cost operation, and that the fall in the amount produced is the cause of the losses by the National *Sugar Corporation.*

The company's proposals, therefore, aim at increasing the output of sugar, although no targets are stated. However, industry experts say there are indications that the British company is considering boosting output to 500,00 tonnes per year—the Jamaican sugar output of 15 years ago.

The government is, however, worried at the political implications of Tate and Lyle's suggestion that the company, assumes "... the power on behalf of the national sugar company to engage, suspend, discipline and dismiss, and to fix or vary the remuneration and conditions of service of employees."

Similarly, Mr. Broderick is concerned at the suggestion *from Tate and Lyle that* workers' co-operatives, which *run field operations on three of* the larger estates, give up their control of the estates to the National Sugar Corporation until "a more suitable solution" can be found.

The co-operatives themselves have accumulated deficits of about US$7m, but the Government recently gave an undertaking to keep them going while trying to find ways of making them viable. The Tate and Lyle suggestion cuts across this commitment, which is essentially political. The co-operatives recently reminded the Government of its pledge when details of Tate and Lyle's proposals became public.

Mr. Broderick said this week that the Government "... had no intention of agreeing to proposals which would re-colonise the sugar industry." But the state of the industry demands urgent action, which the Government feels Tate and Lyle can provide.

World sugar at 12-month low

By Our Commodities Staff

WORLD SUGAR values fell sharply yesterday reaching new 12-month lows as speculative selling continued to *depress the market. In the* morning the London daily raws price was fixed £9 down at £205 a tonne and the London futures August position slipped to £204.75 at one stage. Futures prices rallied somewhat in the afternoon, however, and the August quotation ended the day only £3.025 down on balance at £207.60 a tonne.

Dealers linked the decline to the EEC Commission's decision to grant subsidies of up to 11.734 European currency units per 100 kilos on white sugar authorised for export at Wednesday's weekly tender. Export licences were granted on 71,750 tonnes

Figures released by the International Sugar Organisation yesterday show that U.S. sugar consumption fell sharply last year. Total consumption in 1980 was put at 9.32m tonnes against 9.88m in 1979. But thanks to significantly higher exports, U.S. stocks were down to 2.79m tonnes at the end of 1980 compared with 3.46m

Last year U.S. exports totalled 587,000 tonnes against only 14,000 tonnes in 1979. Net imports fell to 3.21m tonnes from 4.42m.

Farming in the Fens

BY JOHN CHERRINGTON, AGRICULTURAL CORRESPONDENT

THE ENVIRONMENTAL lobby has been successful in preventing the draining of the Ribble marshes and is actively trying to prevent other schemes of agricultural improvement. This prompts the thought that had the Roman occupiers of this country had to contend with an environmental lobby, such things as the clearing of the forests, the draining of marshes and many other forms of agricultural improvement might have been prevented.

The Cambridgeshire fens which I visited the other day had first been reclaimed from swamp and sea at the time of the Roman occupation. The area has suffered many vicissitudes of war and flood. Even now it is hardly free from disaster. In 1947 for instance, melting snow water met a North Easterly gale and caused extensive flooding.

Much of the fenland lies below sea level, and the water has to be lifted into the rivers by pumps.

The soils I was told are very variable. On some the peat is deep, and on others the subsoil, silt or clay very close to the surface. The main asset of a pure peat soil is that it is friable and easily worked. It can absorb moisture, and provide a wonderful environment for plant roots.

In its natural state after the first draining it needs lime and needs considerable skill. Some peats are very light indeed, and dry out in a spring drought. In these circumstances a high wind can cause them literally to blow away. When this happens the soil blows away from the seedling roots and the whole area is covered by a black dust.

In some areas the land was originally forested and a feature of the deeper peats is the bog oak which from time to time has to be dug out of the fields. Even after several hundred years of cultivation their remains are being found and brought to the surface.

Cambridge is said to have more County Council small holdings than any other county, and it is possible for a farmer to make a living on an area of some 60 to 70 acres—something which would not be easy on the Hampshire chalklands. There is little in the way of livestock farming at all.

One of the features of the Fens is the way in which some of the peat soils shrink with cultivation and growing heavy crops. There are places where the underlying mineral soils are getting very near the surface in consequence.

Where they are of silt—that is residues of mineral soils brought down in flood suspension—they are often very good. But when they are what the fen men call "butter clay" they can be very difficult to handle. The good fen farmer tries to maintain the structure of his soils.

The crops I saw looked splendid for late March, with the wheat particularly well grown and free of weeds. What a farmer calls the plant—the *thickness of the crop*—was exceptional. There are no stones at all and no misses in the rows where the drill bounces out of the soil as it does on my farm when the disc hits a stone.

Because of its friability the soil is ideal for potatoes and sugar beet, carrots and bulbs. There is nothing to stop roots developing and the yields are traditionally high.

BRITISH COMMODITY MARKETS

BASE METALS

COPPER—Lost ground on the London Metal Exchange reflecting American selling and the decline in gold. Forward metal opened around £857 drifted throughout the day before closing the late Kerb at £848. Turnover: 24,825 tonnes.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars				
Cash	834.5-5	—8	828.5-9.5	—9.5
3 months	855-.5	—8.5	849.5-50	—10
Settlem't	835	—8	—	......
Cathodes				
Cash	826-7	—9.75	822.5-4	—7.75
3 months	843-4	—8.25	837-8	—8.75
Settlem'	827	—9.5	—	......
S. Prod	—		*87.92	......

Amalgamated Metal Trading reported that in the morning cash wirebars traded at £834.5; three months £857, 56, 55.5, 56, 57, 55.5, 55, 55.5. Cathodes: Cash £826. Kerb: Wirebars: Cash £833; three months £855, 54.5, 54, 54.5. Afternoon: Wirebars: Three months £851, 51.5, 51, 50.5, 50, 49.5, 49, 50, 49.5, 49, 48.5, 48, 48.5, 49. Kerb: Wirebars: Three months £849, 50, 49.5, 50, 51, 50.5, 50, 49.5, 49.

TIN—Firmer with forward metal moving ahead from £6,350 to close the late Kerb at £6,365, after £6,390. The feature of the day's trading was a shortage of supplies for dates later in the month which *prompted* heavy protective borrowing and established a backwardation of around £35. Turnover: 920 tonnes.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	6380-5	+55	6420-30	+155
3 months	6380-5	+18	6380-90	+42.5
Settlem't	6385	+55	—	......
Standard				
Cash	6380-5	+55	6420-30	+155
3 months	6380-5	+10	6380-90	+42.5
Settlem.t	6385	+55	—	......
Straits E.	$631.17	—8.01	—	......
New York	—	......		

Morning: Standard: Cash £6,410, £6,400, 6,390, 80; three months £6,370, 75, 80, 6,400, 6,390, 6,385. Afternoon: Standard: Cash £6,380, 6,405, 10, 20; three months £6,370, 65, 70, 80. Kerb: Standard: Three months £6,370.

LEAD—Easier on balance. Forward metal opened at £356 and edged up to £358 on rumours of Eastern bloc demand. However, the downturn in copper encouraged *profit-taking and* three months dipped to close the late Kerb at £352. Turnover: 7,625 tonnes.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	351.5-2	—1	347.5-8.5	—5.75
3 months	356.5-7	—.75	354.25-.5	—3
S ment	352	—1	—	——
U.S. Spot	—	......	*56	——

Morning: Cash £352, 51.5; three months £358, 57.5, 57, 56.5. Kerb: Three months £358. Afternoon: Three months £354, 55, 54.5, 54, 54.5. Kerb: Three months £354.5, 54, 53.5, 53, 52.5, 53, 52.

ZINC—Down owing to lack of follow-through which saw forward metal decline from £387 to £381. Influential *support developed around this level and the* market rallied to £385 before easing afresh to close the late Kerb at £383. Turnover: 7,050 tonnes.

ZINC	a.m. Official	+ or —	p.m. Unoffic'l	+ or —
	£	£	£	£
Cash	373-4	—5.75	375-6	—3.5
3 months	383-4	—4.75	385-6	—32.5
S'ment	374	—5.5	—	......
Primw'ts	—	......	*43.5	......

Morning: Cash £373; *three months* £385, 86, 85.5, 84. Kerb: Three months £383, 82, 84. Afternoon: Three months £382, 81.5, 81, 82, 83, 85. Kerb: Three months £384, 83.5.

ALUMINIUM—Moved narrowly with forward metal easing to £649 before closing the late Kerb at £650. Turnover: 5,600 tonnes.

Alumin'm	a.m. Official	+ or —	p.m. Unoffic'l	+ or —
	£	£	£	£
Spot	640-1	—3	636-8	—3
3 months	651-2	—1	749-50	—1

Morning: Three months £652, 51.5. Kerb: Three months £651.5. Afternoon: Three months £649, 50, 50.5, 49.5, 49. Kerb: Three months £650, 49.5, 50.

NICKEL—Little changed with three months moving up to £2,907.5 on light fresh interest prior to easing back to £2,888 on the late Kerb. Turnover: 504 tonnes.

NICKEL	a.m. Official	+ or —	p.m. Unoffic'l	+ or —
Spot	2885-95	+7.5	2870-5	+5
3 months	2905-8	+7.5	2892-5	+1

Morning: Three months £2,905, 10, 08. Afternoon: April £2,880, 72; early-May £2,900; three months £2,905, 2,895, 90. Kerb: Three months £2,895.

* Cents per pound. ‡ M$ per kilo. † On previous unofficial close.

SILVER

Silver was fixed 12.65p an ounce lower for spot delivery in the London bullion market yesterday at 529.65p. U.S. *equivalents* of the fixing levels were: spot $11.615, down 34.5c; three-month $12.051, down 34.9c; six-month $12.541, down 41.9c; and 12-month $13.475, *down* 46.2c. The metal opened at 521p-530p ($11.45-$11.65) and closed at 512p-521p ($11.25-$11.45).

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. p.m. Unoffic'l	+ or —
Spot	529.65p	—12.6	519.25p	—8.25
3 months	545.15p	—13.1	534.75p	—7.75
6 months	562.65p	—16.4	—	......
12months	597.40p	—17.8	—	......

LME—Turnover 120 (144) lots of 10,000 ozs. Morning: cash 527; three months 546, 45, 43, 42. Kerbs: three months 543, 44. Afternoon: three months 538, 35, 36, 37, 34, 35, 34, 34.5. Kerbs: three months 535.5, 34.

COCOA

Futures remained steady throughout a featureless day for prices to close with gains of £10. First hand physical business was again scarce, and market *sentiment remained uncertain, reports* Gill and Duffus.

COCOA	Yes'rday's Close	+ or —	Business Done
May	935-36	+6.0	935-30
July	961-62	+10.0	962-51
Sept.	978-79	+8.0	980-70
Dec.	1002-03	+11.0	1033-993
March	1022-23	+8.5	1023-15
May	*1038-40*	*+7.0*	*1039-32*
July	1053-60	+7.5	1053

Sales: 1,289 (2,855) lots of 10 tonnes.

ICCO Futures—Daily price for April 8: 93.99 (94.53); five-day average 95.35 (95.82).

COFFEE

An exceptionally quiet day without any significant move from the recent price range. The market was mainly dominated by switching activity in light volume, *reports* Drexel Burnham Lambert.

COFFEE	Yesterday's Close	+ or —	Business Done
	£ per tonne		
May	1059-61	+5.5	1060-56
Jul	1062-63	+6.0	1063-56
Sept	1061-62	+5.5	1059-57
Nov	1060-61	+5.0	1062-56
Jan	1057-58	+2.0	1059-58
March	1053-58	+3.0	—
May	1048-58	+3.0	—

Sales: 1,025 (1,223) lots of 5 tonnes.

ICO indicator prices for April 8: (U.S. cents per pound): Other Mild Arabicas 127.17 (127.00); Robustas ICA 1976 114.00 (114.25); ICA 1968 114.25 (114.50). Unwashed Arabicas unquoted. Comp. daily ICA 1968 unquoted.

GRAINS

Old crop wheat opened 40p lower on May and 15p lower on July. Values eased in fairly quiet trading, but rallied slightly on some profit-taking to close 65p-70p down on the day. May barley opened unchanged and values eased 25p in quiet trade. New crops opened 5p lower on wheat but closed 5p-30p *higher on September, Acli reports.*

Mnth	WHEAT Yesterd'ys close	+ or —	BARLEY Yesterday close	+ or —
May	117.65	—0.85	99.75	—0.25
July	119.75	—0.70	—	....
Sep	101.70	+0.50	95.60	—0.10
Nov	105.15	+0.10	99.35	—0.10
Jan	109.00	+0.05	102.90	—0.10
Mar	112.80	+0.05	106.60	—0.05

Business done—Wheat: May 118.10-117.45, July 120.30-119.65, Sept. 101.70-101.50, Nov. 105.10-104.95, Jan. 109.00-108.90, March no trades. Sales: 200 lots of 100 tonnes. Barley: May 100.00-99.75, Sept. 95.65-95.60, Nov. 99.35-99.25, Jan. 102.90 one trade, March 106.60 one trade. Sales: 80 lots of 100 tonnes.

LONDON GRAINS—Wheat: U.S. Hard Winter, 13½ per cent, May 103.75, June 103 transhipment East Coast. English Feed fob May 120 East Coast. Maize: French April 125 transhipment East Coast. South African Yellow April/May 85.50. Barley: English Feed fob April 102.50, May 104, June 104, Aug. 97, Sept. 98 East Coast. Rest unquoted.

HGCA — Locational ex-farm spot prices. Other milling wheat: S. East 116 60, W. Midlands 118.00. Feed barley: S. East 99.00, W. Midlands 99.60, N. West 98.60.

The UK Monetary Coefficient for the week beginning Monday, April 13, is expected to remain unchanged.

GAS OIL FUTURES

Trading started near the day's highs on steady volume with prices for the near months remaining within Wednesday's ranges. The lower New York opening and falling gold pushed prices down, closing on the day's lows, reports Premier Man.

Month	Yesterdys close	+ or —	Business Done
	$ U.S. per tonne		
June	300.00	—8.25	302.00-00.00
July	303.00	—1.50	305.50-02.25
August	309.00	—1.00	311.00-09.00
September	315.50	—0.25	316.75-15.50
October	321.00	—0.25	322.00-21.25
November	327.00	—0.25	328.00-27.00
December	331.75	—0.75	332.50-31.75
January	336.00	+0.50	336.25-35.00
February	341.00	+1.00	—

Turnover: 421 (501) lots of 100 tonnes each.

RUBBER

The London physical market opened slightly steadier, with fair interest at lower levels, closing quietly steady. Lewis and Peat reported an fob May price for No. 1 RSS in Kuala Lumpur of 261.0 (259.5) cents a kg and SMR at 240.5 (239.0).

No 1. R.S.S.	Yest'r'ys close	Previous close	Business Done
May	53.50-54.10	52.20-53.00	—
June	54.70-55.10	53.00-54.00	—
Jly-Sept	57.40-57.50	55.90-56.00	57.50-56.40
Oct-Dec	60.40-60.50	59.00-59.10	60.50-58.20
Jan-Mar	63.30-63.40	61.80-62.00	63.40-62.70
Apl-Jne	66.20-66.30	64.60-64.80	66.10-65.40
Jly-Sept	69.10-69.20	67.60-67.80	68.50
Oct-Dec	71.30-72.00	70.50-70.70	71.90
Jan-Mar	74.70-74.90	73.30-73.60	74.50-74.20

Sales: 374 (334) lots of 15 tonnes, nil (same) at 5 tonnes. Physical closing prices (buyer) were: Spot 52.50p (51.50p); May 55.75p (54.75p); June 56.50p (55.25p).

SOYABEAN MEAL

The market opened with small gains *in mixed buying, reports T. G. Roddick.* Despite some rain in growing areas prices continued firm with rumours of lifting the USSR grain embargo fuelling rises. The market closed on highs in active trade with gains of £2.

	Yesterdys Close	+ or —	Business Done
	£ per tonne		
April	137.60-38.0	+5.85	138.00-135.50
June	134.50-34.6	+2.35	154.50-152.60
August	137.90-38.1	+2.0	138.00-136.50
October	139.50-40.0	+1.45	139.50-138.50
December	140.50-41.0	+1.25	140.50-140.00
February	140.00-42.0	......	—
April	141.00-44.0	....	—

Sales: 281 (182) lots of 100 tonnes.

SUGAR

LONDON DAILY PRICE—Raw sugar £205.00 (£214.00) a tonne cif April-May shipments. White sugar daily price £215.00 (£226.00).

Keen selling from one quarter depressed prices £4 below kerb levels, reports C. Czarnikow. Thereafter, selling interest appeared satisfied and prices began to recover.

No. 4 Con-tract	Yest'rdy's Close	Previous Close	Business Done
	£ per tonne		
May	208.75-09.00	217.00-11.10	225.75-04.00
Aug.	207.50-07.70	211.00-10.25	212.50-04.75
Oct.	207.00-07.50	208.50-09.00	210.50-04.00
Jan.	204.00-04.50	204.50-05.00	205.25-02.00
March	204.00-04.50	204.25-04.50	205.00-01.00
May	205.50-04.00	205.25-06.75	203.75-02.00
Aug	204.00-05.00	205.00-06.00	—

Sales: 7,732 (8,575) lots of 50 tonnes.

Tate and Lyle ex-refinery price for granulated basis white sugar was 342.6 (same) a tonne for home trade and £279.00 (£288.50) for export.

International Sugar Agreement (U.S. cents per pound) fob and stowed Caribbean port. Prices for April 8: Daily price 19.18 (19.22); 15-day average 21.21 (21.41).

WOOL FUTURES

LONDON NEW ZEALAND CROSS-BREDS—Close (in order: buyer, seller, business). New Zealand cents per kilo. May 351, 353, 353-352; Aug. 365, 367, 366-365; Oct. 369, 372, 372-368; Dec. 379, 383, 379-378; Jan. 381, 383, 381; March 385, 387, 386; May 389, 391, 390-388; Aug. 393, 396, 393-391; Oct. 393, 398, 395-394. Sales: 124.

SYDNEY GREASY WOOL—Close (in order: buyer, seller, business.) Australian cents per kilo. May 490.0, 490.5, 491.1-488.0; July 492.8, 493.5, 493.5-489.0; Oct. 487.5, 489.0, 488.1-486.0; Dec. 492.0, 492.5, 492.5-489.0; March 498.1, 499.5, 500.0-498.0; May 502.5, 503.5, 503.8-502.0; July 508.5, 512.0, 509.0-509.0; Oct. 506.0, 512.0, nil. Sales: 371.

COTTON

LIVERPOOL—Spot and shipment sales *amounted* to 352 tonnes, bringing the total for the week so far to 810 tonnes. Further useful buying developed, the market being better supplied with demand. Operations were mentioned in South American growths, as well as Turkish and Russian qualities.

POTATOES

LONDON POTATO FUTURES—April 1982 opened with a rush of interest, and values fell quickly from first trade at £76.00 to close at the low. The heavy selling in April attracted sellers to the other positions, and they fell to close at the lows, with most pressure showing on November, reports Coley and Harper. Closing prices: Nov. 55.50, —3 (high 58.50, low 55.50); Feb. 64.70, —2 (high 66.70, low 64.70); April 72.60, — (high 76.00, low 72.60). Turnover: 330 (71) lots of 40 tonnes.

*

GRIMSBY FISH — Supply good, demand good. Prices at ship's side (unprocessed) per stone: Shelf cod £3.30-£3.90, codlings £2.40-£3.60, large haddock £4.50-£5.50, medium £3.00-£4.50, small £1.40-£3.00; best small plaice £2.50-£3.20; skinned dogfish (medium) £10.00-£13.00; lemon soles (large) £10.50, (medium) £9.50; saithe

PRICE CHANGES

	Apr. 9 1981	+ or —	Month ago
Metals			
Aluminium	£810/815	....	£810/815
Free Mkt	$1425/1455	....	$1445/475
Copper			
Cash w'bar	£829	—9.5	£800
3 mths	£849.75	—10	£823.25
Cash Cathode	£823.25	—7.75	£795.5
3 mths	£838	—9.75	£811.5
Gold troy oz	$498.5	—11	$476.5
Lead Cash	£348	—3.75	£321.25
3 mths	£354.375	—3	£328.75
Nickel	£3,379.50	....	£3,358.55
Freemkt	290/305c	....	275/290c
Platin'mtr'y oz	£213.5	....	£212.45
Freemkt	£225.85	+0.1	£211.05
Quicksilvert	$415/420	....	$405/415
Silver troy oz	529.65p	—12.65	528.70p
3 mths	545.15p	—13.15	544.60p
Tin Cash	£6,425	+155	£6,067.5
3 mths	£6,385	+42.5	£6,167.5
Tungsten22.04lb	$149.08	....	$145.47
Wolfrm 22.04 lbs	$147/149	....	$151/155
Zinc Cash	£375.5	—3.5	£334.25
3 mths	£385.5	—3.25	£345.25
Producers	$825/875	....	$825
Oils			
Coconut (Phil.)	$540x	....	$575
Groundnut	‡	....	‡
Linseed Crude	‡	....	£413
Palm Malayan	$565x	....	$605
Seeds			
Copra Philip	‡	....	$390
Soyabean(U.S.)	$325	—3	$305
Grains			
Barley Futures	‡	....	£99.30
Maize			
French	£125	....	‡
Wheat			
No 1 Red Spg.	‡	....	‡
No2 HardWint	£103.75r	—1.75	£104
Eng. Millingt	‡	....	‡
Other commodities			
Cocoa ship't	£1,051	+6	£1,044
Future July	£961.5	+10	£948.5
CoffeeF't' July	£1062.5	+6	£1013.5
Cotton A.Index	86.15c	+0.25	91.65c
Rubber (kilo)	52.5p	+1	58p
Sugar (Raw)	£205.0	—9	£224
Woolt'ps 64s kl.	322p kilo	....	320p kilo

‡ Unquoted. u May-June. x June. w April-May. v May. † Per 45-lb flask.

MEAT/VEGETABLES

SMITHFIELD—Pence per pound. *Beef:* Scotch killed sides 74.0 to 77.0; Ulster hindquaters 88.2 to 91.7, forequarters 56.0 to 58.0; Eire hindquaters 83.0 to 90.0, forequarters 59.0 to 60.0. Veal: *Dutch hinds and ends 114.0 to 12.0.* Lamb: English small 70.0 to 80.0, medium 70.0 to 78.0, heavy 60.0 to 74.0. Imported Frozen: New Zealand PL 60.0 to 61.0, PM 59.0 to 60.0. Pork: English, under 100 lb 46.0 to 51.0, 100-120 lb 44.0 to 50.0, 120-160 lb 42.5 to 48.0.

MEAT COMMISSION — Average Fatstock prices at representative markets on April 9. GB—Cattle 93.94p per kg lw (+2.51). UK—*Sheep 177.54p per kg* est dcw (+3.19). GB—Pigs 74.13p per kg lw (+0.85).

COVENT GARDEN—Prices for the bulk of produce, in sterling per package, except where otherwise stated. Imported Produce: Oranges — Jaffa: Shamoutis/V. Lates 50/189 4.85-5.35; Spania, Navels 48/100 4.20-4.80; Cypriot: V. Lates 80/120 3.20-3.50; Moroccan: Lates 64/113 3.60-4.40. Lemons—Spania: trays 25/54 1.80-2.30: 15-kg boxes 5.00; Cypriot: 10 kg. 4.00-4.40; Californian: 95/140 6.50; Italian: 100/120 4.00; S. African: 80/100 5.80; Jaffa: 5.80. Grapefruit—Cypriot: 20 kg 40/64 3.40-3.90; Jaffa: 20 kg 36 4.45, 40 4.50, 48 4.65, 56 4.40, 64 4.05, 75 3.85. Topaz—Jaffa: 22 lb 63/80 4.00-4.80. Apples—S. African: Golden Delicious 7.80-8.50, Starking 6.20-7.50; *Chilean: Granny Smith 7.30-7.50; Canadian:* Red Delicious 135/150 7.50-8.50; U.S.: Red Delicious 8.50-10.50; Belgian: 28 lb, per pound Cox's 0.10-0.14; French: Stark Crimson 40 lb 5.40-6.50: 20 lb 72 2.80, 84 2.40, Granny Smith 40 lb 5.80-7.20, 20 lb 72 3.50, 84 3.00, Golden Delicious 40 lb 5.80-7.20, 20 lb 72 3.50, 84 3.00. Golden Delicious 40 lb 125/175 4.20-5.40; 20 lb 72 2.80, 84 2.50; Italian: 40 lb Romes 60/70 4.60-4.80; Hungarian: Starking 44 lb 6.40; Dutch: 28 lb, per pound 0.09-0.14.

AMERICAN MARKETS

Wednesday's closing prices

NEW YORK, April 8.

PRECIOUS METALS were mixed on light trade support. Copper sold off sharply on stop-loss selling due to higher interest rates. Sugar was sharply lower on large sales at the weekly EEC tender. The livestock complex was somewhat higher on speculative buying. Maize was mixed in a narrow range, while wheat and soyabeans were slightly lower on a forecast of imminent moisture. Cotton was mixed for the same reason, with new-crop months under pressure. Heating oil rallied from early losses on technical buying, reported Heinold.

††Cocoa—May 1956 (1945), July 2010 (2009), Sept. 2060, Dec. 2118, March 2168, May 2218, July 2268. Sales: 3,015.

Coffee—"C" Contract: May 125.30-125.25 (124.98), July 125.60-125.74 (124.95), Sept. 125.65-125.80, Dec. 123.75, March 122.50, May 122.10-122.50, July 123.00, Sept. 122.00-124.00. Sales: 1,181.

Copper—April 82.35 (83.75), May 82.90-83.40 (84.70), June 84.35, July 85.20-85.70, Sept. 88.00-88.15, Dec. 91.00-91.50, Jan. 92.40, March 94.90-95.00, May 96.65, July 98.65, Sept. 100.65, Dec. 104.00, Jan. 104.65. Sales: 13,000.

Cotton—No. 2: May 87.11-87.20 (87.45), July 88.40-88.50 (88.62), Oct. 86.30, Dec. 83.70-83.80, March 84.65-84.70, May 85.25-85.45, July 85.90-86.25. Sales: 4,900.

*Gold—April 513.0 (512.1), May 518.5 (516.5), June 523.0-525.0, Aug. 535.0-539.0, Oct. 550.5, Dec. 561.5-564.2, Feb. 577.0, April 591.4, June 603.9, Aug. 617.5, Oct. 631.2, Dec. 645.1, Feb. 659.2. Sales: 40,000.

Heating oil (cents per U.S. gallon)—May 0.9695 (0.9660), June 0.9793 (0.0746), July 0.9937, Aug. 1.0044, Sept. 1.0220, Oct. 1.0425, Nov. 1.0600, Dec. 1.0830, Jan. 1.1030, Feb. 1.1225, March 1.1385. Sales: 2,506.

Orange Juice — May 148.25-148.40 (153.00), July 149.40 (154.40), Sept. 148.80, Nov. 145.00, Jan. 144.05, March 145.00, May 146.00-146.25, July 147.00-147.25, Sept. 147.50-148.00 Sales: 3,000.

*Platinum—April 493.8-494.8 (492.8), May nil (nil), June nil, July 509.0-512.0, Oct. 529.0, Jan. 550.5, April 570.0. Sales: 2,475.

Potatoes (round whites)—Nov. 80.2-80.7 (82.1), Feb. 92.5 (94.0), March 96.0, April 110.0. Sales: 168

§Silver—April 116.05 (118.17), May 116.80-117.40 (119.20), June 118.55, July 120.00-120.40, Sept. 123.10-123.30, Dec. 128.05, Jan. 129.60, March 132.80, May 135.90, July 139.05, Sept. 142.20, Dec. 146.90. Handy and Harman bullion spot: 1165.00 (1167.00). Sales: 2,825.

Sugar — No 11: May 18.90-19.00 (19.36), July 18.79-18.90 (19.32), Sept. 18.70-18.80, Oct 18.85-18.90, Jan. 18.45-18.60, March 18.60, May 18.75-18.80, July 18.90-18.95, Sept 19.30.

Tin—636.00-646.00 (638.00-642.00).

CHICAGO, April 8.

Chicago Imm Gold — April 511.5 (same), May nil (nil), June 523.5-524.8, July 529.0, Sept. 544.0-543.5, Oct. 548.6, Dec. 562.0-563.5, Jan. 568.4, March 582.0.

Lard—Chicago loose 19.25 (same).

Live Cattle—April 63.80-63.85 (62.97), June 69.40-69.45 (68.47), Aug. 70.00-69.95, Oct. 68.45-68.35, Dec. 70.00-69.80, Feb. 71.15, April 71.60.

Live Hogs—April 43.20-43.02 (43.90), June 50.20-50.15 (50.10), July 52.80-53.00, Aug. 53.40-53.35, Oct. 53.85-53.75, Dec. 56.90, Feb. 58.35, April 57.90, June 59.00.

‡‡Maize—May 370¼-370 (371½), July 381¾-382 (382¾), Sept 389-389½, Dec. 394-394¾, March 404½-404¾, May 409¾.

Pork Bellies—May 59.00-58.90 (57.00), July 60.15-60.00 (58.15), Aug. 59.70-59.57, Feb. 73.80-73.45, March 73.60, May 75.25, July 75.75.

†Soyabeans—May 803-804 (808), July 829½-831 (833) Aug. 840-841, Sept. 847, Nov. 864-863, Jan. 882½-882, March 902½, May 916.

‖Soyabean Meal — May 229.9-230.2 (229.9), July 238.5-238.8 (238.3), Aug. 242.0, Sept. 245.5, Oct. 248.0-248.5, Dec. 252.5, Jan. 255.0, March 258.5-259.0, May 261.0-262.0.

Soyabean Oil—May 25.10-25.13 *(25.26), July 25.90-25.92 (26.06).* Aug. 26.20-26.25, Sept. 26.50, Oct. 26.80-26.85, Dec. 27.45, Jan 27.65, March 28.25-28.35, May 28.70-28.80, July 29.25-29.30.

†Wheat—May 446-446½ (447¾), July 450-449½ (453½), Sept 463-463½, Dec. 486½-487, March 506, May 517.

WINNIPEG, April 8.

§Barley—May 148.10 (148.20), July 149.20 (149.00), Oct. 147.90, Dec. 148.00, March 147.50

§Wheat—SCWRS 13.5 per cent protein content cif St. Lawrence 256.77

All cents per pound ex-warehouse unless otherwise stated. * $ per troy ounce. § Cents per troy ounce. ‡‡ Cents per 56-lb bushel. † Cents per 60-lb bushel. ‖ $ per short ton (2,000 lbs) § $Can. per metric ton. §§ $ per 1,000 sq feet. ‡ Cents per dozen. †† $ per metric ton.

EUROPEAN MARKETS

ROTTERDAM, April 9.

Wheat—U.S. Two Dark Hard Winter 13.5 per cent April $211, May $210, June-July $208. U.S. No. Two Red Winter April-May $207, June $195, July $192. U.S. No. Two Northern Spring 14 per cent April $208.50, April-May $209, May $208, June $210, July $211, Aug. $212, Sept. $214, Oct. 219, Nov. $221.

Maize—U.S. No. Three Corn Yellow afloat $165, April $163.75, May $165.50, June $169, July-Sept. $175.50, Oct.-Dec. $180, Jan.-March $188.75.

Soyabeans—U.S. Two Yellow Gulfports April $319, May $322, June $326.75, July $330, Aug. $334, Sept. $337.50, Oct. $341, Nov. $342, Dec. 348.25, Jan. $353, Feb. 358.75, March $362.50.

Soyameal—44 per cent protein U.S. unloading $287 traded, afloat $282, $278, June $282, April-Sept. $285 Nov.-March $305. Brazil Pellets afloat $295, mid-March-mid-April $294, April-May $291, April-Sept. $290 sellers.

Sugar (FFr per tonne)—May 2,450-2,480, July 2,400-2,450, Aug. 2,330-2,335, Oct. 2,301-2,305, Nov. 2,290-2,315, Dec. 2,200-2,255, March 2,250-2,260, May: 2,255-2,300. Sales at call: 10.

PARIS, April 9

Cocoa (FFr per 100 kilos)—May 1,016-1,028, July 1,035-1,060, Sept 1,080-1,090, Dec. 1,095-1,115, March 1,125-1,135, May 1,135-1,150. Sales at call:

INDICES

FINANCIAL TIMES

April 8	April 7	Month ago	Year ago
262.49	262.52	255.82	291.17

(Base: July 1, 1952=100).

MOODY'S

April 8	April 7	Month ago	Year ago
1124.0	1124.9	1118.7	1146.3

(December 31, 1931=100)

DOW JONES

Dow Jones	April 8	April 7	Month ago	Year ago
Spot	416.44	414.64	415.03	416.90
Fut'rs	424.69	425.82	425.00	429.95

(Average 1924-25-26=100)

REUTERS

April 9	April 8	M'nth ago	Year ago
1690.3	1699.1	1706.1	1722.2

(Base: September 18, 1931=100)

I.G. INDEX, CORAL INDEX

Now appear on

Company News Pages

Widespread advance in equities leaves FT-Actuaries All-Share index at all-time peak—Bowater feature

Account Dealing Dates

Option

*First Dealings	Declara-tions	Last Dealings	Account Day
Mar. 30	Apr. 8	Apr. 9	Apr. 21
Apr. 10	Apr. 29	Apr. 30	May 11
May 1	May 14	May 15	May 26

* "New time" dealings may take place from 9 am two business days earlier.

London equity markets concluded the Account on an extremly firm note yesterday. Encouraged by a fresh show of strength in the leaders, buyers showed keen interest in numerous secondary issues regarded as possible recovery candidates and caused widespread gains.

Leading engineers figured prominently in the advance. Bowater, up 10 at 260p, on the better-than-expected preliminary results, also contributed to a fresh jump in the FT 30-share index which closed at its best of the day with a rise of 10.4 at 549.8. This represents an advance of 72.6, or more than 15 per cent, over the last two trading Accounts and leaves the index within 9 points of its May 1979, all-time peak of 558.6. Interest continued into the after-hours' dealings when business is allowed for the new Account without penalty. The broadly based FT-Actuaries All-Share index moved into new high ground with a gain of 1.4 per cent at 318.7 per cent.

Of the sectors, Foods were prominent following a revival of institutional demand while Banks and Insurances also stood out along with Engineerings which were briskly traded. Elsewhere, bid situations and a lengthy list of company trading announcements resulted in numerous features.

British Funds, in contrast, passed a subdued trading session. Expectations of an upward movement in U.S. interest rates coupled with the current bout of indigestion following recent heavy domestic funding made for a slightly easier trend. Long- and medium-dated stocks drifted off by an ⅛ to ¼ and barely strayed from these levels for the rest of the day. Short-dated stocks, marginally harder for most of the session, eased towards the close and finished with little alteration.

A strong demand for Traded option positions in Courtaulds boosted the number of contracts to 1,854, the highest so far this week. Courtaulds attracted 678 trades, 345 of which were arranged in the July 60's.

Further investment buying lifted British Aerospace 8 to a fresh peak of 210p.

Amdahl Corporation, the U.S. computer manufacturer, made its London debut at £16½ and moved up to £16¾.

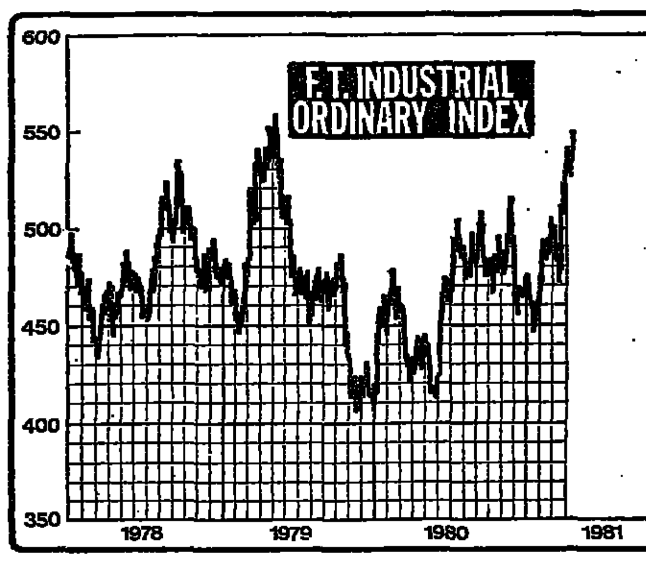
Banks good

The prevailing staff pay dispute did not deter buyers of the major clearing banks and, with stock in short supply, double-figure gains were common by the close. Barclays rose 15 to 420p and NatWest 13 to 368p, while Lloyds put on 11 to 356p and Midland 10 to 322p. Elsewhere, reflecting fears that the two rival bids from Standard Chartered and Hongkong and Shanghai will be referred to the Monopolies Commission, Royal Bank of Scotland cheapened 7 to 166p, after 164p; HK softened 2 to 133p, and Standard closed unaltered at 661p. Comment on the proposed £1.98m rights issue, the third money-raising effort by Sterling Credit since last October, encouraged a good turnover in all three classes of shares; the old moved up 1¾ to 11½p, and the A firmed 2 to 11p, after 12p, while the 8 per cent Convertible jumped 25 to 180p.

Composite Insurances contributed to the buoyant trend. General Accident and GRE rose 12 apiece to the common level of 362p. Stewart Wrightson provided a dull contrast in Lloyd's Brokers, easing 3 to 220p, after 215p, following the disappointing results.

Breweries responded to steady support and closed at the day's best. Bass, 222p, and Whitbread, 159p, added 4 and 3 respectively. Among regional counters, Marstons picked up 4 to 73p, while Morland hardened 3 to 155p. Wines and Spirits were featured by Amalgamated Distilled Products, 3 up at 56p on revived speculative demand.

Trading statements were often responsible for outstanding gains in the Building sector. Feb International Ordinary, 95p, and A, 85p, gained 11 apiece in response to the increased annual profits and proposed 50 per cent scrip issue, while William Sindall put on 36 to 170p on the almost doubled preliminary profits. The good annual profits and property revaluation prompted a gain of 5 to 89p in Ruberoid, while the higher profits and dividend lifted F. J. C. Lilley 6 to 147p. Taylor Woodrow, a few pence easier after uninspiring preliminary results, picked up in the late dealings to close 2 better on balance at 570p, while Watts Blake Bearne added 4 to 207p on the increased annual profits. Elsewhere, Tunnel B gained 14 to 390p on the further rejection of T. W. Ward's bid for the company. Barratt Developments put on 11 to 241p on interest rate optimism, while Montague L. Meyer attracted "new-time" interest and gained 7 to 87p. Ibstock Johnsen were also wanted and rose 8 to 80p.



Business in ICI was inhibited by redundancy fears in the merged petrochemicals and plastics divisions and the close was unchanged on balance at 264p, after 266p. British Benzol shed 2 to 18p following the issue of a circular giving details of the disposal of two subsidiaries.

Gussies wanted

Stores continued to make headway, although support was selective. Gussies A attracted institutional buying and jumped 16 to 491p. UDS, 82p, and Woolworths, 64p, both added 2, while Burton held at 132p in front of Monday's half-timer. Away from the leaders, Harris Queensway, preliminary results due later this month, added 6 to 210p while MFI firmed 5 at 62p. Polly Peck attracted renewed speculative support and improved 12 to 212p, while Lee Cooper were also in demand and rose 17 to 187p. Comment on the annual results lifted Grattan Warehouses 6 more to 90p.

Renewed buying in a thin market enabled the Electrical leaders to take Wednesday's good gains a substantial stage further. Thorn EMI were outstanding at 372p, up 12 after 378p, with sentiment buoyed by a broker's favourable circular highlighting the group's video prospects. BICC rose 7 afresh to 259p in the wake of the chairman's encouraging statement and on hopes of British Rail electrification orders. Elsewhere, Bowthorpe jumped 20 to 180p in response to the better-than-expected results. Fidelity Radio gained 5 to 34p on the announcement that the company is launching two new products which will increase its workforce, while Lec Refrigeration added 10 more to 146p on further consideration of the results. United Scientific, 383p, and Unitech, 280p, jumped 15 and 18 respectively.

Engineerings were active and firm as buyers found stock in short supply. GKN rose 11 to 158p and Tubes 10 to 216p. Ahead of Wednesday's annual figures, Hawker advanced 8 afresh to 332p, while John Brown put on 4 to 92p as did Vickers, to 174p. Richards (Leicester) did well among secondary issues, rising 9 to 51p in response to the better-than-expected profits and Midland Industries improved 6 to 72p on the maintained dividend despite reduced earnings. A. Cohen gained 10 to 280p and APV, 253p, and Davy Corporation, 168p, put on 8 apiece, while Barton and Sons added 6 to 34p.

Foods made further headway on renewed investment buying. Among the leaders Associated British, 138p, and Rowntree Mackintosh, 186p, both gained 8, while Cadbury Schweppes improved 1¼ to 95½p. J. Sainsbury 12 to 410p and Associated Dairies 6 to 210p. Elsewhere, British Sugar were actively traded and dipped to 302p on fears that S. and W. Berisford would not renew its bid for the company, but late demand left the close unchanged on the day at 310p; Berisford finished 5 up at 119p, after 121p.

Bowater pleases

Bowater closed 10 better at 260p, after 265p, following the better-than-expected preliminary results, while other miscellaneous industrial leaders moved forward on a combination of MLR and recovery hopes. Stock shortage again accentuated the rise. Elsewhere, ICL moved up 4 to 53p on optimism about a possible U.S. rescue bid. Reflecting the group's escalating video business, Granada added 7 to 230p, while George Wills hardened 3 to 62p on the results. Investment demand prompted respective improvements of 14 and 18 in BTR, 496p, and Sothebys, 495p.

Lucas Industries encountered good support and rallied 13 to 211p. Automotive Products added 3 to 56p, the annual loss being annulled as a trading influence by the company's confident outlook on future trading and the marginal dividend reduction.

Associated Book Publishers rose 6 to 221p, the company's confidence in the outlook outweighing the reduced full-year earnings.

Selected secondary Properties attracted speculative buying. Estates and Agency gained 10 to 150p, while Phoenix Mining and Finance, 75p, and Trafford Park Estates, 173p, put on 7 apiece.

Attention in Oils was focused on secondary issues. Revived speculative buying was directed towards Carless Capel which gained 15 to 146p, but Silkolene shed 10 to 255p on news that Burnett and Hallamshire had halved its holding in the company to 10 per cent. Dealings in NCC Energy were resumed at 120p, with a close of 125p as compared with the suspension price of 140p; discussions with UNC Resources, which might have led to an offer for NCC, have been terminated.

S. Jerome continued to draw strength from the pleasing annual results and capital proposals and rose 16 for a two-day gain of 26 at 120p. Elsewhere in Textiles, Richards firmed 2 to 20p, while Dawson International added 5 at 184p.

News of cutbacks in cigarette production prompted early dullness in Imperial, but the shares, down to 73p at one stage, closed unchanged on balance at 75p. Bats, aided by call option business, firmed 4 to 287p. Rothmans were again actively traded and rose 3 to 81p.

Hongkong (Selangor) spurted 112 to 887p following news that the company has raised £2.5m from the sale of 370 acres for land development. The prospect of further deals of this nature prompted strong early support for other Plantations. Kuala Selangor closed 60 dearer at 410p, while Holyrood were marked 3¾ points higher at £34. Harrisons Malaysian Estates, 229p, and Barlow, 120p, rose 11 and 8 respectively. In contrast, profit-taking clipped 9 from Malakoff, 162p, while Highlands and Lowlands eased 3 at 64p.

RTZ surge ahead

Mining markets were highlighted by strong performances in two of the London-based Financials, Tanks and Rio Tinto-Zinc. The latter surged ahead during the day, reflecting the strength of UK equities, and gained additional momentum in the after-hours' trade as strong "new-time" buying ahead of the results—due on Tuesday—left the shares 20 firmer at a 1981 high of 487p.

Tanks rose a similar amount to a year's high of 360p amid persistent bid rumours.

South African Golds got off to a bright start as the bullion price edged higher. A subsequent decline in the gold price, however, saw interest wane and share prices tended to drift for the rest of the day prior to closing substantially below their best.

The Rundle twins continued to dominate activity in Australians as renewed short covering coupled with speculative interest saw Central Pacific add a further 20 to 135p and Southern Pacific move up 7 more to 57p.

Ashton Mining opened lower at 129p, compared with the previous day's close of 135p, following the CRA chairman's cautious remarks on the Ashton diamond discoveries, before rallying to close a net 3 cheaper on balance at 132p.

FINANCIAL TIMES STOCK INDICES

	Apr. 9	Apr. 8	Apr. 7	Apr. 6	Apr. 3	Apr. 2	A year ago
Government Secs.	69.37	69.47	69.59	69.97	70.06	70.10	66.89
Fixed Interest	71.30	71.36	71.47	71.66	71.66	71.69	66.10
Industrial Ord.	549.8	539.4	525.8	533.5	539.6	541.9	431.8
Gold Mines	347.7	339.3	356.1	383.2	359.4	345.2	311.1
Ord. Div. Yield	5.98	6.09	6.23	6.15	6.07	6.04	8.07
Earnings, Yld. %(full)	11.81	12.03	12.31	12.15	12.14	12.07	19.80
P/E Ratio (net) (*)	10.57	10.37	10.14	10.21	10.34	10.40	6.20
Total Bargains	27,747	28,191	25,380	31,674	38,815	37,620	12,691
Equity turnover £m.	—	164.2	148.4	172.33	206.45	222.30	100.03
Equity bargains total	—	20,749	22,105	27,515	34,312	35,533	17,843

10 am 542.6. 11 am 544.8. Noon 547.0. 1 pm 547.1. 2 pm 547.1. 3 pm 547.8.

Latest Index 01-246 8026.

*Nil=9.76.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial Ord. 1/7/35. Gold Mines 12/9/55. SE Activity 1974.

HIGHS AND LOWS

	1981 High	1981 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	70.61 (20/3)	68.05 (16/1)	127.4 (9/1/35)	49.18 (6/1/75)
Fixed Int.	73.01 (20/3)	69.98 (16/1)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	549.8 (9/4)	446.0 (14/1)	558.6 (4/5/79)	49.4 (26/6/40)
Gold Mines	421.1 (16/1)	281.4 (29/1)	558.9 (22/9/80)	43.5 (26/10/71)

S.E. ACTIVITY

	Apr. 8	Apr. 7
—Daily		
Gilt Edged Bargains	187.5	205.9
Equities Bargains	134.4	143.2
Value	331.9	299.9
5-day Avrge.		
Gilt Edged Bargains	204.4	208.3
Equities Bargains	181.7	196.2
Value	369.3	376.9

NEW HIGHS AND LOWS FOR 1981

The following shares quoted in the Share Information Service yesterday attained new Highs and Lows for 1981.

NEW HIGHS (278)

BRITISH FUNDS (3)
COM'WEALTH & AFRICAN LOANS (2)
LOANS (1)
AMERICANS (3)
CANADIANS (1)
BANKS (4)
BEERS (12)
BUILDINGS (20)
CHEMICALS (8)
DRAPERY & STORES (21)
ELECTRICALS (8)
ENGINEERING (35)
FOODS (9)
HOTELS (2)
INDUSTRIALS (50)
INSURANCE (4)
LEISURE (2)
MOTORS (3)
NEWSPAPERS (3)
PAPER (2)
PROPERTY (9)
SHIPPING (3)
SHOES (1)
TEXTILES (7)
TOBACCOS (1)
TRUSTS (56)
OIL & GAS (1)
OVERSEAS TRADERS (2)
RUBBERS (2)
MINES (3)

NEW LOWS (9)

BANKS (1)
Hong Kong & Sh. Bk.
CHEMICALS (1)
Brit. Benzol
ELECTRICALS (1)
Forward Tech.
INDUSTRIALS (2)
Gleves Group Hanimex
TRUSTS (1)
Energy Fin.
OILS (1)
Ceres Res.
MINES (2)
Hampton Areas SPO Minerals

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	11	46	42
Corpns. Dom. and Foreign Bonds	3	4	68
Industrials	497	123	749
Financial and Props.	235	33	225
Oils	32	11	34
Plantations	6	2	15
Mines	70	20	75
Others	75	21	53
Totals	929	260	1,250

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday

Stock	Closing price pence	Day's change	Stock	Closing price pence	Day's change
BICC	259	+7	Jerome (S.)	120	+16
Barclays Bank	420	+15	Plessey	335	+1
Bowater	260	+10	RTZ	487	+20
British Sugar	310	—	Rothmans	81	+3
Carless Capel	146	+15	Tanks Con.	380	+20
GEC	630	+5	Thorn EMI	372	+12

WEDNESDAY'S ACTIVE STOCKS

Based on bargains recorded in SE Official List

Stock	No. of price changes	Wed.'s closing price pence	Day's change	Stock	No. of price changes	Wed.'s closing price pence	Day's change
Ryl Bk of Scot	46	168	+24	GEC	19	668	−6
Premier	24	80	−3	Tnr. & Newl.	19	88	−2
BICC	21	234	−6	Burmah	18	149	−2
Shell	21	348	−10	Grattan	18	72	—
Hawker Sidd.	20	312	−6	BP	17	362	−8
ICI	20	252	−2	KCA	17	182	−18
Bowater	19	245	+2	H.K. & Sh. Bk.	17	132	−7

OPTIONS

First Deal-ings	Last Deal-ings	Last Declara-tion	For Settle-ment
Mar. 23	Apr. 3	June 25	July 6
Apr. 6	Apr. 17	July 9	July 20
Apr. 21	May 1	July 23	Aug. 3

For rate indications see end of Share Information Service

Calls were transacted in Carless Capel, FNFC, Turner and Newall, Bats, Butterfield-Harvey, Lyon and Lyon, BSG, Aran Energy, Rothmans, Premier Oil, Hampton Trust, Conex, Lasmo, Montague L. Meyer, Comfort Hotels, Burmah, Johnson and Firth Brown, French Kier, Charterhall and London Investment Trust. No puts were reported, but doubles were arranged in Charterhall, ICI and Shell.

FT-ACTUARIES SHARE INDICES

These Indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Thurs., April 9, 1981 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Wed. April 8 Index No.	Tues. April 7 Index No.	Mon. April 6 Index No.	Fri. April 3 Index No.	Year ago (approx.) Index No.
1 CAPITAL GOODS (214)	347.43	+1.6	11.11	4.60	11.11	342.07	338.47	341.95	346.86	232.52
2 Building Materials (25)	307.70	+0.9	14.63	5.64	8.20	305.10	303.28	306.31	309.45	227.31
3 Contracting, Construction (28)	572.73	+1.6	16.39	4.71	7.26	563.69	562.28	564.55	576.75	346.65
4 Electricals (27)	1096.73	+1.0	8.00	2.46	15.50	1085.53	1068.41	1080.06	1094.47	604.84
5 Engineering Contractors (11)	468.75	+3.0	12.21	5.52	10.42	455.05	454.48	460.19	462.22	271.34
6 Mechanical Engineering (71)	212.57	+1.5	12.81	5.77	9.89	209.47	206.78	209.85	212.30	157.24
8 Metals and Metal Forming (13)	165.52	+3.2	10.16	8.01	13.03	160.38	158.66	160.34	159.52	161.64
9 Motors (21)	101.46	+3.1	10.27	8.24	12.77	98.38	98.13	98.50	100.61	103.12
10 Other Industrial Materials (18)	366.24	+2.2	11.34	5.58	10.55	358.45	354.69	356.92	360.96	[illegible]
21 CONSUMER GROUP (196)	273.81	+1.7	13.62	5.73	8.90	269.13	265.69	267.58	270.74	208.60
22 Brewers and Distillers (22)	295.46	+1.6	15.68	6.20	7.57	290.90	286.30	288.26	292.87	258.66
25 Food Manufacturing (22)	255.89	+2.0	15.65	6.18	7.58	250.87	247.41	249.53	252.95	184.73
26 Food Retailing (14)	543.13	+3.0	8.34	2.99	14.16	525.34	522.17	525.04	532.65	291.96
27 Health and Household Products (7)	253.20	+0.6	9.19	3.90	13.26	251.60	250.39	[illegible]	252.33	196.22
29 Leisure (22)	420.26	+3.0	12.13	5.34	9.98	408.01	404.79	408.49	412.05	290.58
32 Newspapers, Publishing (12)	482.95	+0.2	18.17	6.13	7.19	481.89	483.16	485.37	490.73	406.52
33 Packaging and Paper (14)	147.23	+3.3	20.48	7.84	5.67	142.47	140.42	140.19	141.87	126.70
34 Stores (44)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
35 Textiles (21)	156.11	+1.8	14.08	8.42	9.60	153.36	151.77	151.71	152.84	119.32
36 Tobaccos (3)	231.31	+1.1	24.57	10.06	4.64	228.75	229.73	228.20	226.60	201.58
39 Other Consumer (17)	274.90	+1.5	9.29	7.00	13.43	270.87	272.22	274.26	274.60	[illegible]
41 OTHER GROUPS (78)	225.11	+1.0	13.58	6.57	9.07	222.95	220.84	220.85	222.10	196.56
42 Chemicals (15)	275.48	+0.5	11.74	7.54	10.80	274.00	265.32	267.41	270.65	295.50
44 Office Equipment (6)	117.44	+0.3	15.85	7.07	7.48	117.14	116.67	117.54	119.29	106.46
45 Shipping and Transport (13)	627.62	+1.5	13.58	5.90	8.83	617.58	612.94	621.35	622.41	458.65
46 Miscellaneous (44)	292.32	+1.3	15.03	5.65	8.18	292.07	291.16	292.84	295.91	238.41
49 INDUSTRIAL GROUP (488)	292.83	+1.6	12.66	5.41	9.65	288.30	284.82	287.17	290.52	219.52
51 Oils (12)	790.66	+0.7	22.83	7.12	4.90	785.51	755.27	773.21	797.79	728.84
59 500 SHARE INDEX	332.65	+1.4	14.49	5.71	8.22	328.03	322.50	326.05	331.03	259.68
61 FINANCIAL GROUP (118)	262.37	+1.2	—	5.94	—	259.29	255.72	257.37	259.81	198.85
62 Banks (6)	296.55	+2.6	32.12	7.09	3.75	289.06	282.13	239.00	241.85	204.76
63 Discount Houses (10)	297.64	−0.6	—	6.22	—	299.56	298.98	300.57	309.08	214.99
64 Hire Purchase (4)	270.84	−0.8	8.31	4.58	16.65	273.12	273.44	273.34	273.66	190.59
65 Insurance (Life) (10)	264.40	+2.8	—	6.06	—	257.26	255.73	268.47	272.92	149.39
66 Insurance (Composite) (9)	172.74	+2.2	—	7.11	—	169.05	168.80	168.90	170.51	121.51
67 Insurance Brokers (8)	358.57	+0.4	12.70	6.41	10.67	357.15	359.69	357.16	357.67	288.36
68 Merchant Banks (13)	157.31	+1.1	—	4.98	—	155.58	154.31	153.05	160.44	99.20
69 Property (48)	506.54	+0.9	3.00	2.49	46.07	504.64	504.18	508.77	513.20	360.93
70 Miscellaneous (10)	176.47	+0.6	17.79	5.86	6.83	175.36	175.93	174.60	175.49	128.25
71 Investment Trusts (109)	303.71	+1.1	—	4.86	—	300.43	298.87	302.11	304.99	205.38
81 Mining Finance (3)	264.84	+2.8	13.82	5.98	8.59	257.61	254.68	259.54	261.01	185.74
91 Overseas Traders (20)	468.91	+1.7	11.34	6.30	10.85	461.03	458.23	449.94	454.81	389.99
99 ALL-SHARE INDEX (750)	318.17	+1.4	—	5.62	—	313.77	309.41	312.10	316.27	242.85

FIXED INTEREST PRICE INDICES

British Government	Thurs. April 9	Day's change %	Wed. April 8	xd adj. today	xd adj. 1981 to date
1 5 years	109.31	+0.03	109.27	—	2.48
2 5-15 years	111.48	−0.05	111.54	—	3.26
3 Over 15 years	116.07	−0.19	116.28	—	3.00
4 Irredeemables	128.45	−0.29	128.83	—	3.78
5 All stocks	112.03	−0.08	112.12	—	2.86
6 Debentures & Loans	87.24	−0.22	87.43	—	3.47
7 Preference	67.87	—	67.87	—	2.08

FIXED INTEREST YIELDS British Govt. Av. Gross Red.

		Thurs. April 9	Wed. April 8	Year ago (approx.)
1 Low Coupons	5 years	11.56	11.54	12.76
2	15 years	12.17	12.14	12.58
3	25 years	12.25	12.22	12.58
4 Medium Coupons	5 years	13.15	13.16	14.55
5	15 years	13.56	13.64	14.19
6	25 years	13.23	13.31	14.01
7 High Coupons	5 years	13.36	13.17	14.66
8	15 years	13.85	13.88	14.19
9	25 years	13.54	13.45	14.42
10 Irredeemables†		12.06	11.62	12.12
11 Debs & Loans	5 years	14.34	14.33	15.25
12	15 years	14.51	14.41	15.10
13	25 years	14.45	14.41	14.95
14 Preference		14.36	14.36	15.77

† Flat yield. Highs and lows record base dates and values and constituent changes are published in Saturday issues. A list of the constituents is available from the Publishers, The Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 15p, by post 26½p.

RECENT ISSUES

EQUITIES

Stock	Issue price, amount paid up, latest renunc. date, 1981 High/Low, closing price, +or−, Div., cover, yield, P/E
Amdahl	[illegible]
Atlantic Res.	[illegible]
British Aerospace 50p	[illegible]
Coloroll	[illegible]
Cystic Fibr Inv Tst	[illegible]
Eglinton Oil & Gas	[illegible]
Eurotherm	[illegible]
[illegible]	[illegible]
Mitel Bulletin	[illegible]
Marton Bros	[illegible]
New Darton Oil	[illegible]
Oil & Gas Production	[illegible]
T.R. Energy	[illegible]

FIXED INTEREST STOCKS

Stock	Issue price, amount paid up, latest renunc. date, 1981 High/Low, closing price, +or−
Colonial Secs. 70% Cum. 2nd Pref.	[illegible]
Cystic Fibrosis Res'ch In. Tst. 6% Deb.	[illegible]
Iceland 14¼% 2016	[illegible]
Lands (City of) 13¼% Red. 2006	[illegible]
PMA 10% Cnv. Uns. Red. Prf.	[illegible]
West Hampshire Water 8% Red. Prf.	[illegible]
[illegible]	[illegible]

"RIGHTS" OFFERS

Stock	Issue price, amount paid up, latest renunc. date, 1981 High/Low, closing price, +or−
Assoc. Dairies	[illegible]
Barker & Dobson A	[illegible]
Broken Hill Prop.	[illegible]
Spirax-Sarco	[illegible]
Sutter Electrical	[illegible]
Thermal Syndicate	[illegible]
Woodside	[illegible]

Renunciation date usually last day for dealing free of stamp duty. [illegible]

UNIT TRUST SERVICE

OFFSHORE & OVERSEAS—contd.

Craigmount Fixed Int. Mngrs. (Jersey)
P.O. Box 195, St. Helier, Jersey. 0534 27561
Gilt Fund (Jsy.) 96.2 96.3 ..... 14.00
Valued weekly Wednesday.

DWS Deutsche Ges. F. Wertpapiersp
Gruneburgweg 113, 6000 Frankfurt
Investa DM32.10 33.80 +0.20 —

Delta Group
P.O. Box 3012, Nassau, Bahamas
Delt. Inv. March 31 $4.61 4.84 ..... —

Deutscher Investment-Trust
Postfach 2685 Biebergasse 6-10 6000 Frankfurt
Concentra DM16.86 17.28 +0.15 —
Int. Rentenfonds DM59.97 61.47 ..... —

Dreyfus Intercontinental Inv. Fd.
P.O. Box N3712, Nassau, Bahamas.
NAV April 17 US$32.07 34.12 −0.03 .....

Emson & Dudley Tst. Mgt. Jrsy. Ltd.
P.O. Box 73, St. Helier, Jersey. 0534 73933
E.D.I.C.T. 158.5 170.3 ..... 2.20

The English Association
4 Fore Street, EC2. 01-588 7081
E. A. Income Fund* 163.5 67.6 ..... 7.40
E. A. Sterling* £67.84 67.89 ..... —
E. A. Equity* £70.46 74.96 ..... 1.67
Wardgate Cm. Fd.** £16.77 17.66 ..... 2.95
*Next dealing April 15. **Next dealing April 30.

Eurobond Holdings N.V.
Pietermaai 15, Willemstad, Curacao.
London Agents: Intel 15 Christopher St., EC2.
Tel: 01-247 7243. Telex 8814408.
Euro Hldgs. US$19.77 20.36 ..... 9.20

S.G. Europe Obligations S.A.
9, Avenue de la Liberte, Luxembourg
London Agent: FFS, Salisbury Hse, London Wall

[illegible]

Hill Samuel Invest. Mgmt. Intnl.
P.O. Box 63, Jersey. 0534 27381

[illegible]

Rothschild Asset Management (C.I.)
P.O. Box 58, St. Julians Ct., Guernsey. 0481 26331

[illegible]

NOTES

[illegible]

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

Abbey Unit Tst. Mngrs. (a)
72-80, Gatehouse Rd., Aylesbury 0296 5941

Abbey Am. Gth. Tst.	60.3	64.8	+0.4	2.28
Abbey Capital	50.9	55.0	+0.7	4.08
Abbey General	58.7	63.5	+1.0	4.84
Abbey Gilt & F.I. Tst.	106.6	112.2	−0.5	11.67
Abbey Income	38.0	41.0	+0.3	8.56
Abbey W'w. Bd. Tst.	95.0	100.5	+0.2	6.67
Abbey Inv. Tst. Fd.	52.3	56.5	+0.8	4.25
Equitas Prog. Tst.	84.5	91.4	+1.3	4.47

Allen Harvey & Ross Unit Tst. Mngrs.
45, Cornhill, London EC3V 3PB. 01-623 6314.

AHR Gilt Trust	86.9	91.4	−0.1	12.70

Allied Hambro Ltd. (a) (g)
Hambro Hse., Hutton, Brentwood, Essex.
01-588 2851 or Brentwood (0277) 211459

Balanced Funds				
Allied 1st	94.1	100.7	+1.9	5.56
Brit. Inds. Fund	82.4	88.2	+1.6	5.78
Growth & Income	54.3	58.1	+1.0	4.65
Elect. & Ind. Dev.	47.0	50.3	+1.0	4.97
Allied Capital	101.6	108.7	+1.6	4.75
Hambro Fund	139.9	159.7	+2.4	5.55
Hambro Acc. Fund	191.4	204.8	+2.8	4.44
Income Funds				
High Yield Fd.	69.4	74.3	+1.2	8.08
High Income	84.4	90.3	+1.3	7.17
Equity Income Fd.	48.7	52.1	+1.0	7.02
Govt. Secs.	26.2	26.9	−0.2	11.52
International Funds				
International	36.7	39.3	+0.4	2.04
Japan Fund	26.0	27.8	.....	0.23
Pacific Fund	71.3	76.3	−0.1	1.07
Secs. Of America	79.5	85.1	+0.9	1.88
Specialist Funds				
Smaller Co.'s Fd.	59.3	63.5	+0.6	4.09
2nd Smlr. Co's Fd.	73.7	78.9	+0.4	3.80
Recovery Sits.	146.5	156.7	+1.8	4.85
Met. Min. & C'dty.	70.0	74.9	+1.2	4.90
Overseas Earnings	72.8	77.9	+1.5	4.74
Exempt Funds				
Income Exempt	54.1	56.8	+0.8	7.48
Far East Exempt	75.3	78.3	−0.2	0.96
Smaller Co. Exempt	95.0	99.7	+0.7	4.01
U.S.A. Exempt	152.3	137.6	+1.5	2.25

Anderson Unit Trust Managers Ltd.
158, Fenchurch St., EC3M 6AA. 623 9231

Anderson U.T.	71.4	76.6	.....	3.77

Ansbacher Unit Mgmt. Co. Ltd.
1, Noble St., EC2V 7JA. 01-726 4931

Inc. Monthly Fund	154.0	164.0	.....	12.00
Leics. & Gen. Fd.	51.0	54.0	+1.0	—

Anthony Wieler Unit Tst. Mgmt. Ltd.
19, Widegate St., London, E1 7HP 01-247 8827

Wieler Gwth Fd. Inc.	40.1	42.2	.....	3.41
Do. Accum.	51.1	53.3	.....	3.41

Arbuthnot Securities Ltd. (a)(c)
37, Queen St., London, EC4R 1BY 01-236 5281

Capital†	35.8	38.6		—
Commodity***	96.3	103.0	+2.0	2.53
(Accumulation)	150.7	161.2	+3.2	2.53
(10% Withdrawal)	72.7	77.7	+1.6	2.53
Eastern & Internatl.†	45.3	48.3	.....	1.00
(6% Withdrawal)	31.0	33.4	.....	1.00
Extra Income	99.1	106.6	−0.7	9.25
(Accumulation)	118.2	127.2	−0.9	9.25
Finance & Property*	28.0	30.2	.....	3.60
Foreign††	139.9	145.9	.....	1.00
Giants	49.4	52.8	+0.6	4.40
(Accumulation)	64.6	69.1	+0.8	4.40
Gilt & Fixed	42.9	45.0	−0.3	12.08
(Accumulation)	46.5	48.7	−0.2	12.08
Growth	43.9	46.9	+0.5	4.24
(Accumulation)	57.8	61.8	+0.6	4.24
High Income	38.1	40.7	+0.3	8.93
(Accumulation)	64.8	69.3	+0.5	8.93
(8½% Withdrawal)	50.6	54.1	+0.4	8.93
High Yield	45.3	48.7	+0.1	10.10
(Accumulation)	81.4	87.6	+0.1	10.10
North American††	37.7	40.3	+1.3	1.00
Preference	21.7	23.4		13.74
(Accumulation)	44.0	47.4	+0.1	13.74
Smaller Companies	39.8	41.3	+0.1	4.04

Dealings: †Tues. *Wed. ††Thurs. ***Friday.

Archway Unit Tst. Mgs. Ltd.♥ (a)(c)
317, High Holborn, WC1V 7NL. 01-831 6233

Archway Fund	124.3	133.7	+3.8	4.82

Prices April 9. Next sub. day April 16.

Barclays Unicorn Ltd.♥ (a)(c)(g)
Unicorn Ho. 252, Romford Rd., E7. 01-534 5544

Unicorn America	32.9	41.8	−0.2	0.87
Do. Aust. Acc.	156.8	168.5	−2.2	0.64
Do. Aust. Inc.	119.8	128.8	−1.7	0.64
Do. Capital	91.6	98.4	+1.6	4.69
Do. Exempt Tst.	138.5	148.9	+1.9	6.21

Crescent Unit Tst. Mngrs. Ltd. (a)(g)
4 Melville Cres., Edinburgh 3 031-226 4931

Cres. Amer. Fd.	43.2	46.6	+0.8	0.54
Cres. Internat'l.	85.5	92.3	+0.7	1.69
Cres. High. Dist.	47.4	51.2	+0.5	9.28
Cres. Reserves	52.9	57.1	+0.8	5.18
Cres. Tokyo	35.1	37.9	+0.1	0.92

Dartington Unit Trust Mngt. Ltd.
Bridge Chambers, Barnstaple, Devon 0271 76324

Total Perf. Unit Tst.	23.5	25.0	.....	9.05

Discretionary Unit Fund Managers
36-38 New Broad St., EC2M 1NU. 01-638 4485

Disc. Inc. April 9	252.6	269.4	+3.3	4.89

E. F. Winchester Fund Mngt. Ltd.
44, Bloomsbury Square, WC1A 2RA 01-623 8893

Great Winchester	18.5	20.4	.....	6.92
Gt. Winchester O'seas	27.6	30.6	.....	3.87

For Emson and Dudley see Robert Fraser Tst. Mgmt.

Equity & Law Un. Tr. M.♥ (a)(b)(c)
Amersham Rd., High Wycombe. 0494 33377

Equity & Law	92.9	97.7	+1.5	4.45

Fidelity International Management Ltd.
62-63 Queen St., London EC4 1AD 01-248 4891

American (z)	37.8	40.7	+0.3	0.63
Amerl. Spec. Sits. (z)	27.9	30.0	+0.3	0.58
Gilt + Fixed Int.	25.4	26.7	−0.1	11.82
Growth + Income	34.2	36.8	+0.4	6.49
Maximum Inc. Eq. Tst.	29.0	31.2	+0.3	8.67
Special Sits.	41.5	44.7	+0.4	1.71

James Finlay Unit Trust Mngt. Ltd.
10-14, West Nile Street, Glasgow. 041-204 1321

J. Finlay Internat'l	40.4	43.4	.....	1.64
Accum. Units	50.1	53.8	.....	1.64
J. Finlay High Income	37.4	40.2	.....	9.59
Finlay Wld. Energy	18.4	19.8	+0.2	1.88
Accum. Units	23.9	25.7	+0.2	1.88
J. Finlay Fd. In. Tst.	39.8	42.8	.....	5.09
Accum. Units	50.3	54.1	.....	5.09

Prices on April 8. Next dealing April 15.

Framlington Unit Mgt. Ltd. (a)
64, London Wall, EC2M 5NQ. 01-628 5181

Amer. & Gen.	83.6	89.2	+0.8	0.75
Am. T'around.	78.4	83.8	+1.2	1.44
Capital Tst.	63.8	68.2	+0.4	4.87
(Accum. Units)	67.6	72.2	+0.5	4.87
Convertible & Gilt	49.6	52.2	+0.4	9.68
(Accum. Units)	49.6	52.2	+0.4	9.68
Extra Income Trust	55.0	58.8	+1.0	8.97
Income Tst.	44.0	47.8	+0.8	7.32
Int. Growth Fd.	67.2	71.8	+0.8	1.61
(Accum. Units)	72.0	77.0	+0.8	1.61

Robert Fraser Trust Mgt. Ltd.
28b Albemarle St., W.1. 01-493 3211

Robt. Fraser Ut. Tst.	87.1	93.7	.....	6.00

Friends' Provdt. Trust Mgrs. (a) (b) (c).
Pixham End, Dorking. 0306 5055

Friends Prov. Units	68.6	73.3	+1.3	3.99
Do. Accum.	98.7	105.5	+1.9	3.99

Funds in Court*
Public Trustee, Kingsway, WC2. 01-405 4300

Capital April 2	142.7	147.4	.....	4.75
Gross Inc. April 2	83.9	86.2	.....	11.14
High Yield April 2	95.0	97.9	.....	10.62

*Unauth. Restricted to monies under Court control.

G.T. Unit Managers Ltd.♥
16, Finsbury Circus, EC2M 7DJ. 01-628 8131

G.T. Cap. Income	159.5	171.4	.....	2.10
Do. Acc.	204.8	220.2	.....	2.10
G.T. Inc. Fd. Un.	218.3	234.7	.....	8.00
G.T. U.S. & Gen.	217.5	233.8	.....	1.40
GT Wld. Bd. Fd.	98.4	102.5	.....	5.80
G.T. Japan & Gen.	110.7	119.0	.....	1.30
♦Gt. Pens. Ex. Fd.	362.7	381.7	.....	1.80
G.T. Int'l. Fund	255.3	274.5	.....	1.90
G.T. Four Yds. Fd.	60.7	65.2	.....	6.40
G.T. Far East & Gen.	100.8	108.3	.....	1.20

G. & A. Trust (a) (g)
5 Rayleigh Road, Brentwood (0277) 227300

G. & A.	45.9	49.0	+0.8	4.76

Gartmore Fund Managers♥ (a)(g)
2 St. Mary Axe, EC3A 8BP 01-623 6114
Dealing only: 01-623 5766/5806

American Trust	42.5	45.7	+0.3	0.41
British Tst. (Acc.)	101.2	108.9	+1.1	3.68
British Tst. (Dist.)	99.9	107.5	+1.0	3.68
Commodity Share	53.0	57.0	+0.9	4.65
Extra Income Tst.	23.9	25.8	+0.4	9.20
Far East Trust	57.9	62.2	−0.5	1.04
Gilt Trust	23.6	24.6	.....	12.80
High Income Tst.	58.4	62.9	+0.5	10.03

INSURANCE PROPERTY BONDS

OFFSHORE & OVERSEAS FUNDS

Continued on previous page

FT SHARE INFORMATION SERVICE

BRITISH FUNDS

1981 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
		"Shorts" (Lives up to Five Years)				
99 31/32	97 7/16	Exch. 8¼pc 1981	99 31/32	.....	8.29	11.61
99¼	97¾	Exch. 9½pc 1981	99¼	+1/16	9.57	11.88
96⅞	93¾	Exch. 3pc 1981	96⅞	+⅛	3.09	11.94
99 7/16	99⅛	Treas. Variable '81§§	99⅜	.....	12.00	12.96
100 7/16	99¾	Exch. 12¾pc 1981‡‡	100 7/16	.....	12.70	11.89
97⅝	95 11/16	Treas. 8½pc '80-82‡‡	97⅝	+⅛	8.70	11.73
95	91⅞	Treasury 3pc '82‡‡	94⅜	.....	3.18	10.01
102 3/16	100 11/16	Treasury 14pc '82‡‡	101 13/16	+1/16	13.73	11.69
98⅞	98 3/16	Treas. Variable '82§§	98 13/16	.....	12.07	12.95
95¾	93 13/16	Treasury 8¼pc '82	95⅝	.....	8.62	12.14
96 3/16	93 11/16	Exch. 9¼pc 1982	95¾	.....	9.66	12.49
94¾	92⅝	Exch. 8¾pc 1983	94¾	+1/16	9.23	12.14
89¼	84⅞	Exch. 3pc 1983	88¾	.....	3.39	10.04
99⅝	97¾	Treasury 12pc 1983‡‡	98 15/16	.....	12.12	12.61
97½	96¼	Treas. Variable '83§§	97½	.....	13.23	13.27
94⅛	92¼	Treasury 9¼pc '83	93⅞	.....	9.85	12.41
101 13/16	100¼	Exch. 13½pc '83	101 3/16	.....	13.32	12.86
94⅛	92¼	Exch. 10pc 1983	93⅞	.....	10.65	12.74
87¼	84½	Funding 5½pc '82-84‡‡	86⅞	.....	6.33	11.12
96¾	94 5/16	Exch. 11¼pc 1984	96 7/16	.....	11.67	12.74
103 3/16	101 11/16	Exchequer 14pc. 1984	102 13/16	.....	13.61	12.87
80⅝	78½	Exch. 3pc 1984	79½	.....	3.75	10.58
98⅝	96⅞	Treasury 12pc 1984	98 3/16	.....	12.22	12.64
107¼	104⅞	Treasury 15pc 1985	107 1/16	.....	14.01	12.61
98⅞	96 15/16	Exch. 12pc Cnv. '85	98 3/16	.....	12.22	12.58
75¾	73¾	Treasury 3pc 1985	74⅝	−¼	4.02	10.80
74⅜	72⅝	Do. "A"	74½	.....	4.03	10.84
15 1/16	14⅞	Treas. 11¼pc '85 (£15pd.)●	14⅞	.....	11.93	12.63
98⅞	96 7/16	Exch. 12¾pc 1985	98	.....	12.50	12.82
97⅛	93⅝	Exch. 11¾pc '86	96 7/16	.....	12.18	12.74
		Five to Fifteen Years				
70 3/16	69	Treasury 3pc 1986●	69½	.....	4.34	11.06
51½	20	Treas. 12pc '86 (£50pd).	51 3/16	+1/16	12.45	12.98
87⅞	84¾	Treasury 8½pc '84-86‡‡	87¼	.....	9.98	12.42
103⅝	98¾	Exch. 13¾pc 1987	102⅝	.....	13.27	13.28
81¼	77¼	Funding 6½pc '85-87‡‡	77¾xd	.....	8.36	11.74
99½	93¼	Treas. 12pc 1987	93½xd	.....	12.75	13.37
80½	76¾	Treasury 7¾pc '85-88‡‡	80	.....	9.88	12.55
65½	61⅝	Transport 3pc '78-88	63⅜	−⅛	4.79	10.53
92¾	86¼	Treasury 11½pc 1989	91⅞	.....	12.79	13.62
93	87	Do. A	91⅞	+⅛	12.92	13.79
67¾	63⅞	Treasury 5pc '86-89	65xd	.....	7.68	11.56
101½	95¼	Treasury 13pc 1990‡‡	100¼	.....	13.37	13.53
40 7/16	38½	Exch. 12½pc '90 (£40pd)	38⅝	−⅛	13.38	13.81

[illegible]

Over Fifteen Years

[illegible]

Undated

[illegible]

INTERNATIONAL BANK

[illegible]

CORPORATION LOANS

[illegible]

COMMONWEALTH AND AFRICAN LOANS

[illegible]

LOANS

1981 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
		Public Board and Ind.				
64	63¼	Agric. Mt. 5pc '59-89	64	.....	7.98	12.34
81	76½	Alcan 10½pc '89-94	81	+1	13.21	14.00
29½	28¼	Met. Wtr. 3pc 'B'	29	.....	10.45	12.70
108	98½	U.S.M.C. 9pc 1982	108	.....	8.73	—
97	92½	Do. without Warnts.	97	.....	9.60	14.30
		Financial				
101½	99¾	FFI 14pc '83	100¾	−⅛	13.89	13.63
91½	88½	FFI (UK Fn) 5½pc Db. '80-2	91½xd	.....	6.03	12.34
82½	80	Do. 6¼pc Db. '81-84	82	.....	7.88	13.70
93	86½	Do. 10½pc Uns. Ln. '86	92	.....	11.77	13.75
91½	79¾	Do. 11pc Uns. Ln. '88	91	.....	12.49	13.35
91	86½	Do. 11¼pc Uns. Ln. '90	91	.....	13.24	14.00
94½	88½	Do. 12½pc Un. Ln. 1992	91xd	.....	13.74	14.10
64½	60	Do. 7¼pc A Deb. '89-92	64	.....	11.86	14.10
62	59	Do. 7¼pc A Deb. '91-94	60xd	.....	12.08	13.90
72½	68	Do. 9pc 'A' '91-94	71xd	.....	12.68	13.80
70	65	Do. 8¾pc Ln. '92-97	67	.....	13.59	14.30

FOREIGN BONDS & RAILS

1981 High	Low	Stock	Price £	+ or −	Div. % Gross	Red. Yield
62½	58	Antofagasta Rly.	58	.....	—	—
55	55	Do. 5pc Pref.	55	.....	—	—
98	98	Chilean Mixed	98	.....	3	13.10
28	20	Chinese 4½pc 1898	20	.....	—	—
22	17	Do. 5pc 1912	17	.....	—	—
18	11	Do. 5pc 1913	11	.....	—	—
16	11	Do. 5pc '25 Boxer	11	.....	—	—
94	88¼	Denmark 13pc 2005.	92	−½	13	14.74
36	36	Greek 7pc Ass.	36	.....	3½	9.90
34	33	Do 6pc 28 Stb. Ass.	34	.....	3	8.85
32	30	Do 4pc Mixed Ass.	32	.....	2	6.30
52	48	Hung. '24 Ass.	48	.....	2¼	6.04
66	62	Iceland 6½pc '83-88	66	.....	6½	13.90
90¼	85¼	Ireland 7½pc '81-83.	90	−¼	7½	13.73
79¼	73	Do. 9¼pc '91-96	74½xd	−½	9¼	13.97
195	185	Japan 4pc '10 Ass	195	.....	—	—
79	68	Do. 6pc '83-88	68	.....	6	13.00
165	155	Peru Ass. 2007	165	.....	5.22	13.20
79	77	Turin 9pc 1991	S77½	.....	—	11.61
		Turin 6½pc 1984.	DM90	.....	—	9.45
96p	96p	Uruguay 3½pc	96	.....	3½	3.90

AMERICANS

1981 High	Low	Stock	Price £	+ or −	Div. Gross	C'vr	Y'ld Gr's
27⅝	19⅝	ASA	24¼	+⅛	$5.00	—	9.2
27⅝	27⅝	AMF 5% Conv. '87	27⅝xd	.....	5%	—	18.1
27¼	22½	Abbott Labs.	26⅜	+¼	$1.44	—	2.4
30⅜	16½	Amax $1	26¼	−⅝	$2.40	—	4.0
21¼	16⅝	Amer. Express $0.60	20¾xd	+½	$2.00	—	4.3
19⅛	15½	Amer. Medical Intl. $1.	18⅜xd	+¾	64c	—	1.5

[illegible]

CANADIANS

[illegible]

BANKS AND HIRE PURCHASE

[illegible]

Hire Purchase, etc.

[illegible]

BEERS, WINES AND SPIRITS

[illegible]

BUILDING INDUSTRY, TIMBER AND ROADS

[illegible]

CHEMICALS, PLASTICS

[illegible]

DRAPERY AND STORES

[illegible]

ELECTRICALS

[illegible]

ELECTRICALS—Continued

[illegible]

ENGINEERING MACHINE TOOLS

[illegible]

FOOD, GROCERIES, ETC.

[illegible]

FOOD, GROCERIES—Cont.

[illegible]

HOTELS AND CATERERS

[illegible]

INDUSTRIALS (Miscel.)

[illegible]

INDUSTRIALS—Continued

[illegible]

INSURANCE

[illegible]

INSURANCE—Continued

[illegible]

LEISURE

[illegible]

MOTORS, AIRCRAFT TRADES

Motors and Cycles

[illegible]

Commercial Vehicles

[illegible]

Components

[illegible]

Garages and Distributors

[illegible]

NEWSPAPERS, PUBLISHERS

[illegible]

PAPER, PRINTING ADVERTISING

[illegible]

PROPERTY

[illegible]

PROPERTY—Continued

[illegible]

SHIPPING

[illegible]

SHOES AND LEATHER

[illegible]

SOUTH AFRICANS

[illegible]

TEXTILES

[illegible]

TOBACCOS

[illegible]

TRUSTS, FINANCE, LAND

Investment Trusts

[illegible]

INVESTMENT TRUSTS—Cont.

[illegible]

Finance, Land, etc.

[illegible]

OIL AND GAS

[illegible]

OVERSEAS TRADERS

[illegible]

RUBBERS AND SISALS

[illegible]

TEAS

India and Bangladesh

[illegible]

Sri Lanka

[illegible]

Africa

[illegible]

MINES

Central Rand

[illegible]

Eastern Rand

[illegible]

Far West Rand

[illegible]

O.F.S.

[illegible]

Finance

[illegible]

Diamond and Platinum

[illegible]

Central African

[illegible]

MINES—Continued

Australian

1981 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's
40	32	Acmex 50c	40	......	Q2.5c	—	3.3
23	14	ACM 20c	20	+2	—	—	—
21	14	Argosy Gold NL 25c	19	......	—	—	—
209	137	Bond Corp.	202	+2	Q7½c	1.9	1.9
102	76	Bougainville I Kina	91	+2	Q26.2c	1.0	15.0
302	214	CRA 50c	248	–2	Q19c	ϕ	3.9
25	17½	Canada Northwest	22	+1	—	—	—
35	17	Carr Boyd 20c	21	......	—	—	—
415	105	Central Pacific	135	+20	—	—	—
35	35	Cons. Gold Mn. N.L. 50c	35	......	—	—	—
47	39	Cultus Pacific N.L.	40	......	—	—	—
32	22	Eagle Corp. 10c	26	+1	—	—	—
40	32	Endeavour 20c	36½	......	—	—	—
500	310	G. M. Kalgoorlie 25c	405	+10	†Q13c	ϕ	1.7
25	13	Great Eastern	15	......	—	—	—
275	200	Hampton Areas 10p	200	–10	t2.5	2.4	1.8
168	88	Haoma Gold N.L.	90	+2	—	—	—
85	45	Intl. Mining	50	+2	—	—	—
245	140	Kitchener NL 25c	170	......	—	—	—
105	45	Leichardt Expln.	60	......	—	—	—
430	275	Meekatharra	350	+10	—	—	—
70	49	Metals Ex. 50c	68	......	¶Q3c	2.9	2.3
33	20	Metramar Mns. 20cts.	21	–1	—	—	—
267	190	M.I.M. Hldgs. 50c	260	+3	‡‡Q27.6c	1.7	‡
21	11½	Minefields Expl. 25c	14	......	—	—	—
108	83	Mount Lyell 25c	104	......	ϕ†Q15c	1.7	7.5
20	14	Newmetal 20c	14	–1	—	—	—
69	41	Nickelore N.L.	45	......	—	—	—
204	149	North B. Hill 50c	174	+4	Q18c	3.1	5.4
84	50	Nth. Kalgurli	68	+4	—	—	—
175	94	Nth. Mining Corp.	172	+8	—	—	—
122	55	N. West Mining N.L.	60	......	—	—	—
145	106	Oakbridge 50c	140	......	tQ12c	1.1	4.4
185	138	Oilmin N. L.	150	......	—	—	—
186	164	Pacific Copper	183	......	—	—	—
605	475	Pancont'l 25c	570	–10	—	—	—
70	42	Pariaga M&Ex.5p	66	–2	—	—	—
525	375	Peko-Wallsend 50c.	525	+5	ϕQ22½c	ϕ	2.2
115	85	Seltrust A	95	+5	—	—	—
157	42	Southern Pacific	57	+7	—	—	—
72	44	Swan Resources 20c.	45	......	—	—	—
18	11½	West Coast 25c	13½	–1	—	—	—
300	227	Westn. Mining 50c	294	+1	Q14c	1.6	2.4
27	19	Westmex	21	......	—	—	—
76	50	Whim Creek 20c	54	–2	—	—	—
101	73	York Resources	89	......	—	—	—

Tins

1981 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's
16	10	Amal Nigeria 1p	11	......	‡j6.0	—	—
300	260	Ayer Hitam $M1	270	......	‡Q205c	1.0	‡
67	54	Beralt Tin	58	......	4.5	3.2	11.1
155	130	Geevor	130	......	‡8.4	1.9	‡
9½	8	Gold & Base 12½p	9½	......	—	—	—
660	590	Gopeng Cons.	590	......	30.0	1.8	7.3
450	390	Hongkong	390	......	21.0	ϕ	7.7
125	115	Idris 10p	118	......	Z6.0	ϕ	7.3
15	13	Jantar 12½p	15	......	1.5	ϕ	14.3
98	90	Kamunting $M0.50.	90	......	‡Q80c	1.0	‡
725	545	Killinghall $M1	725	......	Q100c	ϕ	2.7
114	88	Malay Dredging 10c.	114#	......	ϕhQ38c	0.9	6.4
55	30	Pahang	53	......	0.44	0.3	1.2
103	95	Pengkalen 10p	95	......	3.5	0.6	5.3
380	360	Petaling $M1	380	......	Q180c	ϕ	9.2
24	19	South Crofty 10p.	22	......	‡1.0	ϕ	‡
225	200	Sungei Besi $M1.	205	......	‡Q480c	1.1	‡
135	95	Supreme Corp. $M1.	130	......	§Q15½c	ϕ	2.3
118	116½	Tanjong 15p	117	......	Z1.5	ϕ	1.9
90	80	Tongkah H. Tin $M1	80	......	Q23%	0.4	5.7
410	350	Tronoh $M1	360	......	‡Q250c	0.7	‡

Copper

1981 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's
295	165	Messina R0.50	275	......	Q45c	4.7	9.4

Miscellaneous

1981 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's
170	142	Anglo-Dominion	170	......	—	—	—
55	40	Baryman	45	+1	—	—	—
15½	14	Burma Mines 10p	14½xd	......	0.75	ϕ	7.4
315	180	Colby Res. Corp.	280	......	—	—	—
255	200	Cons. Murch. 10c.	240	......	tQ30c	1.8	7.2
98	75	††Hemerdon 10c.	95	......	—	—	—
180	135	Highwood Res.	160	–5	—	—	—
400	300	Northgate C$1	350	–10	—	—	—
487	372	R.T.Z.	487	+20	t16.0	3.2	4.7
£111½	£93½	Dn.9%Cv.Uns.Ln.'95-2000	£111	+1	Q9½%	—	f8.9
143	125	††SPO Minerals 10p	125	–3	—	—	—
47	33	Sabina Inds. C$1.	40	+2	—	—	—
38	28	††SWCM 10p	31	......	—	—	—
550	465	Tara Expln. $1	525	+5	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ϕ Figures or report awaited.
- ☆ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- †† Dealt in under Rule 163(2)(a); not listed on any Stock Exchange and not subject to any listing requirements.
- ‡‡ Dealt in under Rule 163(3).
- # Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividends or forecasts.
- ♦ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♠ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ☆ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ** Regional price.
- || No par value.

§§ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. ☆☆ Available only to UK pension schemes and insurance companies engaged in pension business. a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. x Prospective real rate of return. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1981-82. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1980-81. K Figures based on prospectus or other official estimates for 1981-82. M Dividend and yield based on prospectus or other official estimates for 1980. N Dividend and yield based on prospectus or other official estimates for 1981. P Figures based on prospectus or other official estimates for 1980-81. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xl ex capital distribution.

REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

Albany Inv. 20p	42	......	**IRISH**		
Bertam	13½	......	Conv. 9% '80/82	£99⅞	......
Bdg'wtr. Est. 50p	515xd	......	Nat. 9¾% 84/89	£75¾	......
Craig & Rose £1	£11¾	......	Fin. 13% 97/02	£79½	–⅜
Fife Forge	55xd	......	Alliance Gas	70	–5
Finlay Pkg. 5p	21	......	Arnott	240	......
Graig Ship. £1	£20½	......	Carroll (P.J.)	87	......
Higsons Brew	70	......	Concrete Prods.	90	......
Holt (Jos) 25p	415	......	Helton (Hldgs.)	28	......
I.O.M. Stm. £1	158	......	Ins. Corp.	395	......
Pearce (C. H.)	950	......	Irish Ropes	50	......
Peel Hldgs.	100	+7½	Jacob	44	......
Sheff. Refrshmt	106	......	T.M.G.	22½	......
Sindall (Wm.)	160	+25	Unidare	88	......

OPTIONS

3-month Call Rates

Industrials		House of Fraser	14	Utd. Drapery	6½
A. Brew	6½	I.C.I.	20	Vickers	15
BOC Intl.	11	"Imps"	7	Woolworths	5
B.S.R.	4½	I.C.L.	6		
Babcock	11	Ladbroke	30	**Property**	
Barclays Bank	36	Legal & Gen.	20	Brit. Land	8
Beecham	15	Lex Service	10	Cap. Counties	11
Blue Circle	35	Lloyds Bank	28	Land Secs.	37
Boots	20	"Lofs"	4½	MEPC	20
Bowaters	24	London Brick	7	Peachey	15
Brit. Aerospace	14	Lucas Inds.	18	Samuel Props.	13
B.A.T.	25	"Mams"	20	Town & City	2¼
Brown (J.)	7	Mrks. & Spncr	9		
Burton Ord.	12	Midland Bank	26	**Oils**	
Cadburys	7½	N.E.I.	7	Brit. Petroleum	36
Courtaulds	6	Nat. West. Bank	32	Burmah Oil	16
Debenhams	8	P & O Dfd.	13	Charterhall	9
Distillers	17	Plessey	30	KCA	22
Dunlop	7½	Racal Elect.	34	Premier	10
Eagle Star	22	R.H.M.	5	Shell	34
F.N.F.C.	3½	Rank Org. Ord.	18	Tricentrol	30
Gen. Accident	30	Reed Intnl.	20	Ultramar	44
Gen. Electric	60	Sears	5		
Glaxo	28	Tesco	5½	**Mines**	
Grand Met.	14	Thorn EMI	30	Charter Cons.	21
G.U.S. 'A'	44	Trust Houses	18	Cons. Gold	45
Guardian	32	Tube Invest.	18	Lonrho	9
G.K.N.	16	Turner & Newall.	10	Rio T. Zinc	45
Hawker Sidd	25	Unilever	50		

A selection of Options traded is given on the London Stock Exchange Report page

"Recent Issues" and "Rights" Page 34

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £500 per annum for each security

FINANCIAL TIMES
Friday April 10 1981

Keyser in £11m 'buy-out' plan

BY CHRISTINE MOIR

AN £11m management "buy-out" *could create a new international* merchant bank from parts of Keyser Ullmann and Dawnay Day, two banks which were themselves taken over in the past 18 months.

Yesterday Mr. Guy Naggar, *deputy chief executive* of Keyser Ullmann, said he had won agreement from Charterhouse Group—KU's parent since last summer—to buy KU's two European operations, a bank in Geneva and another in France.

Mr. Naggar's backer is RIT, the financial services group controlled by Mr. Jacob Rothschild, which itself took over the Dawnay Day banking and fund management group in December 1979.

If, as expected, the Charterhouse buy-out is approved by Charterhouse's shareholders and the Swiss and French banking authorities, RIT will inject the licensed deposit *taking* operations of Dawnay Day into Mr. Naggar's new company, retaining Target Life, Target Unit Trusts, and *Dawnay Day's industrial* interests.

The full operation will cost Mr. *Naggar's new company*, tentatively called Holding Financier, just over £11m — £10.27m for the Charterhouse element, and just under £1m for Dawnay Day and Company, which largely consists of the goodwill in the name and a Bank of England deposit taking licence.

Mr. Naggar and his family will own 35 per cent of Holding Financier and RIT will have a similar amount. Other share*holders will include* M. Henri Magnenat, chairman of KU's Swiss bank, who will have 5 per cent, and First City Group, a Canadian investment company recently involved in bidding for Bache in the U.S. which will have 10 per cent.

The remaining 15 per cent will be held by private investors.

The new bank will trade as Keyser Ullmann abroad, where the name is not associated, as in England, with the 1974 banking crisis, and in the UK initially as Dawnay Day.

Mr. Naggar plans to restrict *it to a slim management operation*, concentrating on money management, bond issues and syndicated loans for a few large customers. One of the first deals to be done under the new ownership could be the SwFr 60m (£14m) convertible bond issue planned for Lonrho next month.

The Dawnay Day operation is described as a "start up which gives us a nominal London base from day one."

Mr. Richard Brown, a director of RIT, said yesterday that it had agreed to sell Dawnay Day's banking operations because RIT was "not interested in deposit taking."

Charterhouse also said it was *pleased with the divestment of* the two KU banks, Mr. Geoffrey Rowett, Charterhouse's chief executive, said that the group already had adequate representation in France and Switzerland so the banks had not been of great interest to Charterhouse when it took over Keyser Ullmann.

The price paid was above the *book value and had been con*firmed by an independent valuation by outside accountants.

Mr. Naggar's management buy-out had been entirely amicable, Mr. Rowett said, adding that the merger of Charterhouse with KU was now progressing smoothly after several months of management changes and legal friction over the independence *of KU's* Throgmorton Trusts.

Polish party leaders attacked

By Christopher Bobinski in Gdansk

LEADERS of the Polish Communist Party came under havy attack from their rank and file followers here yesterday at a Party meeting at the Lenin Shipyard. The attack is almost certain to attract renewed criticism from Moscow.

Unabashed by the presence of Party leader Mr. Stanislaw Kania members singled out hard-line Politburo member Mr. Stefan Olszowski in an assault on the governing elite.

Mr. Ilszowski is at present at the Czechoslovak Party Congress in Prague where he is expected to have a sympathetic hearing from Mr. Leonid Brezhnev, the *Soviet President — for his con*servative ideas.

One speaker in Gdansk summed up *local feelings* with the *charge that* the cause of the present crisis in the country was "the arrogance of a Party leadership which did not have to account to anyone.

"Power lies with the rank and file in the Party," he said, "*to society at large and* the task of the authorities should be merely to organise our collective efforts."

Party members, he added, to applause, had to decide what was best for themselves, and these decisions should not be taken by "the comrades at the top, like, for example, Comrade Olszowski."

Mr. Olszowski, *the Politburo* member in charge of ideology and the mass media, was also criticised for using the press and television to misinform the public. A speaker explained that Party members were under *pressure from fellow workers* who complained that the press was lying. "We have no arguments against them," he said.

Mr. Kania and other Party leaders faced an audience of 1,200 members. The size of the crowd alone was significant as in the past the Party members at local level have been reduced to a purely decorative role which demanded no more than applause and unquestioning support for the leadership.

Rhone-Poulenc plunges into red

BY TERRY DODSWORTH IN PARIS

RHONE-POULENC, flagbearer of the French chemical industry, plunged deeply into the red last year after losses *in its stricken man-made fibres* division had been exacerbated by heavy reorganisation provisions.

The group turned a comparable 1979 net profit of FFr 601m (£54m) into loss of FFr 1.95bn (£176m) in 1980 after a provision for reorganisation of its fibre operations, to be carried out over the next three years, totalling FFr 1.62bn.

Sales fell by a tenth to FFr 30.2bn. Net losses on trading were FFr 327m for the group and FFr 850m for the textile division. The 1980 dividend is being halved to FFr 4.50 *a share*.

These gloomy figures, which echo the poor performance of other European chemicals companies last year, follow a three-year period in which Rhône-Poulenc had pulled painfully back into profits after total *losses of FFr 1.3bn in 1975 and* 1976.

Its problems have been chiefly centred on the artificial fibres subsidiary, France's main synthetic textiles producer, where the effects of the steep *rise in cheap American imports*, along with falling demand and inability to raise prices, turned out much worse than the company originally expected.

About half Rhône-Poulenc's loss in this sector was accounted *for by reorganisation expenses.*

The long-term plan for trimming textile activities has been accelerated. It is planned to reduce the workforce by about half, to 4,000, this year.

More factories will be closed, and the output concentrated in particular on nylon and polyester yarn.

Further reorganisation is *planned in 1982 and 1983 in the* textiles and organic chemicals divisions.

Rhône-Poulenc lost money last year on its organic chemicals division, but achieved healthy performances in agro-chemicals, health products and animal foods activities.

While the group's performance has caused some criticism among observers, it is pushing ahead with ambitious reorganisation plans.

Apart from draconian cuts in artificial fibre manufacturing, reduced from a workforce of 13,200 in 1977, it aims to concentrate activities further down the production line, away from oil refining.

Shell wins claim over Salem

By Raymond Hughes, Law Courts Correspondent

THE Shell oil group has won a \$56m (£24m) High Court insurance claim over the loss of the cargo of the tanker Salem, scuttled off the West African coast in January last year.

Mr. Justice Mustill ruled in the Commercial Court *yesterday that the cargo of* 196,231 tonnes of crude oil had been lost as a result of a peril against which Shell had been insured.

That peril had been "takings at sea," and the *taking of Shell's oil* had occurred when the Salem secretly changed course for Durban, South Africa, where most of the cargo was discharged.

He granted Shell Petroleum International, a service company of the Shell group, a declaration that it was entitled to recover the sum insured under the policy.

That, effectively, is \$25.5m, Shell having already recovered \$30.5m from SFF Association, South Africa's official oil purchasing agency, as payment for the part of *the cargo discharged* at Durban.

The balance of the claim will be shared among the 69 Lloyd's syndicates and 29 insurance companies that covered Shell's policy.

The underwriters, represented by Mr. Caryl Gibb, had argued that Shell's cargo had been lost as the result of a fraud against which the company had not been insured.

Details Page 7

Treasury looks for more cuts

BY RICHARD EVANS, LOBBY EDITOR

MR. LEON BRITTAN, Chief Secretary to the Treasury and *the minister responsible for the* Government's public expenditure programme, confirmed yesterday that the Treasury remained firmly committed to making "significant reductions" in state spending in the medium term.

His statement, during a Commons' debate on the Government's expenditure plans, clearly foreshadows future Cabinet conflicts, as the Treasury seeks to further reduce spending programmes already regarded by many ministers as cut to the bone.

Having fended off half the cuts demanded by the Treasury last year, a powerful group of spending ministers appear determined to hold the line against major cuts when the next round opens in the summer.

Mr. Brittan—made Chief Secretary in January after Mrs. Thatcher decided to appoint Mr. John Biffen as Trade Secretary—said the cuts would have to largely fall on four major spending programmes, housing, education, support for industry and employment, and finance for nationalised industries.

"The last two programmes have increased while the recession lasts, but we plan large reductions in them over the medium term, and it is right to do so," Mr. Brittan said.

He warned private contractors that they would be cutting their own throats if they sought to overcharge the state sector for supplies.

Price increases would inevitably reduce the work available, because of more strictly imposed cash limits.

"Firms cannot expect a given volume of work and at the same time any price increase they consider appropriate . . . the Government cannot, and will not, be a soft touch for suppliers and contractors," said Mr. Brittan.

Mr. Peter Shore, Opposition spokesman on the economy, described the public expenditure White Paper as "appalling" because of the perverse priorities of ministers. He advocated an increase in public spending to meet the worst effects of the recession.

He criticised the view that public spending would be reduced in the foreseeable future. He thought increases *would be inevitable, either to* pay for unemployment or to mount rescue operations for industry.

Maintaining expenditure levels 'a top priority': Page 8

British Rail warns of suspension

By Philip Bassett, Labour Staff

BRITISH RAIL will today tell railway workers planning to take official industrial action next week in the North of England over line closures that they will be suspended without pay if they refuse to work normally.

BR officials accept suspension could lead the National Union of Railwaymen to retaliate by widening what is still a relatively *small dispute.*

However, at a time when Cabinet Ministers are actively discussing the BR Board's bid for much increased investment in the railways BR is determined to take a firm line. It believes the union is trying to challenge a commercial decision.

The dispute also comes just before publication next week of *BR's full-year results. These are* expected to show a fall from a very slim profit last year to a loss of some £80m.

The NUR has instructed its ticket-collector, ticket-inspector and pay-train guard members in the Manchester and Sheffield areas not to collect fares for a week from next Monday.

This is a protest against closure from June 1 of the freight section of the Manchester-Sheffield-Wath line, and the withdrawal of freight services from the whole of the line, to save £2½m a year.

Central government debt rises

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

CENTRAL GOVERNMENT *borrowing was £901m last* month, about £330m more than expected at the time of the Budget on March 10, because of the Civil Service dispute.

Treasury figures published yesterday show that the loss of revenue and higher than expected lending to public corporations and local authorities was partly offset by other *factors such as lower than pro*jected public spending on a wide range of programmes.

The result overall was that central government borrowing in 1980-81 was £13bn compared with the forecast on Budget day of £12.7bn and a projection of £9.3bn a year ago.

The Government has estimated that between £750m and *£1bn of tax and national in*surance receipts were delayed by the dispute last month.

The *ironic implication is that* provided the dispute does not last too long and there are no lasting effects a sizeable back*log of revenue in the current* 1981-82 financial year will reduce public sector borrowing considerably.

The City financial markets believe that this favourable effect could be offset by a possible overrun on public spending and a less buoyant than expected level of revenue. Analysts argue, however, that any overall overshoot on borrowing should be much less than during the last year.

In detail, the latest figures show that consolidated fund revenue, the bulk of Government receipts, was £601m less than expected at the time of the Budget and that this was more than accounted for by the dispute.

Expenditure on supply services, the main spending programme, was £361m less than expected as a result of a shortfall across a wide range of departments.

Debt interest payments were £136m less than expected but central Government loans to the rest of the public sector were £186m higher than forecast at the time of the Budget.

Reassurance on Windscale safety

BY DAVID FISHLOCK, SCIENCE EDITOR

SAFETY AT British Nuclear Fuels' Windscale, Cumbria, factory was "not wholly satisfactory" when the Health and Safety Inspectorate began a Government-requested review in 1979, the Inspectorate said yesterday in its report.

Providing 15 recommendations are implemented—many of them in hand before the safety review *was completed last autumn*—there was no reason why Windscale's £2bn development programme for building new plants and de-commissioning old ones should not proceed, said the Inspectorate.

*The nuclear industry's obliga*tion to report every incident involving radioactivity to the Government was creating a "false image" of nuclear safety.

But the Government is to continue requiring a report on every such incident.

The investigation into Wind*scale safety standards was called* for by Mr. Tony Benn, then energy secretary, in the 1979 General Election campaign and shortly after the Three Mile Island reactor accident in the U.S.

Since 1977 the UK nuclear industry has been required to report all incidents involving radioactivity. The inspectors *found that nearly 100 of* the incidents reported since 1977 had occurred at Windscale, an average of nearly 30 a year.

Most had involved some failure of safety precautions. But few had caused employees to receive *significant doses of* radiation and none had involved the public.

The inspectors concluded that only one or two incidents a year would be required to be reported to the Health and Safety Executive, and very few to Ministers, had they occurred in "ordinary industrial establishments."

The Government has told British Nuclear Fuels it does not think now is the time to relax the requirement to report every incident. This is in case *the public gets the impression* that it is being less vigilant about nuclear safety.

The report's major recommendations relate to the review and up-dating of procedures, the strengthening of technical support groups on the site, the developing and strengthening of the quality assurance organisation, and the implementation of *a particular system of safety* audit.

Mr. Con Allday, managing director of British Nuclear Fuels, said yesterday he regarded the report "as a pretty clean bill of health. You can't carry out an *investigation into* a place like Windscale without finding something wrong."

He described the 15 conclusions and recommendations of the report as "pretty minor criticisms" which included many compliments on the present competence of his company in safety matters.

Mr. Norman Lamont, Parliamentary under-secretary for energy, told the Commons in a written answer that the Health and Safety Executive would be monitoring the implementation of its recommendations.

He *welcomed the inspector*ate's "authoritative reassurance" that "Windscale should not be regarded as a dangerous place at which to work or near which to live."

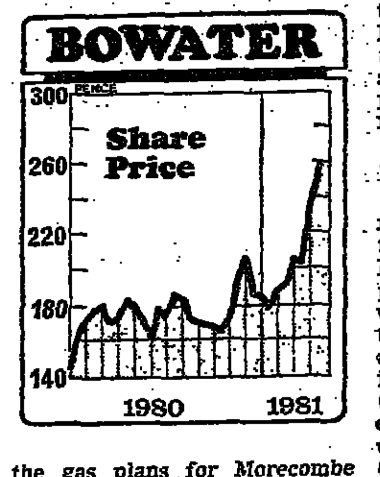
Windscale: The Management of Safety. From the Directorate of Information and Advisory Services (IAS5), Baynards House, 1 Chepstow Place, London W2 4TF. £2.50.

Energy review, Page 29

THE LEX COLUMN

A tax log-jam at Bowater

Index rose 10.4 to 549.8



Bowater was still making losses in businesses from which it has now withdrawn — the Ellesmere Port newsprint mill and Ralli's cotton trading activities — during the second half of 1980, and pre-tax profits for *the year show a fall from* £91.3m to £85.0m. The UK packaging interests have performed remarkably well, considering the background, but Bowater's star remains the North American paper business, which has beeen working flat out on increased capacity and is enjoying some gratifying price increases.

More than ever the group shapes up *like a U.S. company*, with 75 per cent of trading profits (on just 23 per cent of sales) coming from North America. Bowater's tax problem arising from its payment of dividends in the UK, a territory in which profits are negligible, is worse than ever, and the 1980 tax charge is 50 per cent. Largely as a result of this, current cost earnings, before taking any account of £26m of closure costs, cover only a third of the dividend.

Much of the recent rise in the share price (to 260p yesterday from a 1981 low of 171p) reflects speculation that Bowater's timber resources will attract a U.S. bidder. That would be a drastic way out of the company's tax problem; another would be a rise in UK earnings, and this—partly through loss elimina*tion — Bowater expects to see* over the next couple of years. The yield on an unchanged dividend is 6¼ per cent.

Taylor Woodrow

In a difficult year Taylor Woodrow has demonstrated its quality by edging pre-tax profits 1 per cent ahead to £24.8m; it *has also set shareholders a* teaser with a 3p extra dividend to mark its sixtieth anniversary. On the whole the market seems to have decided that diamond jubilee payouts are not for ever, and the share price rose only 2p yesterday to 570p.

While overseas profits have eased back, the group has made progress in UK construlction which has more than compensated for a collapse in the Greenham trading contribution. The main strength seems to have been in North Sea-related services.

Taylor Woodrow's profits have now changed little over three years, though its property portfolio continues to improve and current cost cover for the basic dividend is a rock solid four times. Growth can be clearly picked out *on the hori*zon, however, following the seventh oil licensing round and the *gas plans for Morecombe* Bay. Moreover, International House in St. Katharine's dock will start to be let next year. But the stock's premium rating has meant that it has had less to gain than many *others from this year's sharp* uprating of contractors.

Philips

Philips faces a long struggle to reshape its European manufacturing operations. The annual report shows that trading profits of Fl 1.58bn in 1980, down from Fl 1.8bn, *represented a return on capital* (admittedly on a replacement cost basis) of only 4.4 per cent. At the net level, after exceptional items, there is only Fl 328m, and although this provides notional cover for the *maintain Fl 1.80 a share total* distribution, the bulk of earnings arises in the U.S. Philips Trust and the parent company has had to pay the larger part of the distribution out of reserves.

In volume terms, Philips' business continues to be reasonably buoyant. A volume gain of 7 per cent in 1980 was a point better than expected this time last year, but productivity is growing at a daunting pace in electronics, and the group is having to dismantle the elaborate network of national plants throughout Europe in favour of much larger units. So there is a Fl 600m exceptional restructur*ing provision in the 1980* accounts, over and above Fl 200m or so charged above the line, and it seems likely that further large provisions will be needed next year. No very significant improvement in *profitability is expected in 1981.*

In these tricky circumstances Philips has managed to keep its balance sheet ratios stable, and in 1980 roughly halved the previous year's Fl 2bn cash outflow even though stocks failed to show the *budgeted fall*. But the stock market's verdict on Philips is best summed up by the fact that at Fl 20.8 the share price stands at only 22 per cent of replacement cost net worth.

CGBR

Among all the financial statements stacking up on City desks the rather seedy accounts of the HMG group are going to win no prizes from the Society of Investment *Analysts. Curious* transfer payments abound, above and below various lines: in particular, the March figures (which cover the group's year-end), show £900m washed back over the year from the National *Oil Account.*

Only a small footnote in the so-called Red Book issued after the company's recent presentation gave any hint that this was coming. The eagle-eyed may have spotted that a figure under the informative heading "Miscellaneous receipts: other" incorporated a £2.7bn upward revision, which included oil royalties.

In March the group has borrowed £900m, some £300m above the latest setting of its patent moving target, but cash flow has been disrupted by a strike among the sales force. There should be an offsetting inflow in the 1981-82 financial year as soon as the strike is over, and it must be fair to assume that the finance director who forecast a cash outflow of *£10½bn* a month ago, is now thinking in terms of £10bn or less.

Ward/Tunnel

In its formal offer document Ward explains the benefits that would arise from combining its cement interests with those of Tunnel. The idea is that the enlarged group would be able to shift its spare capacity towards the South East, and thereby sell an extra 250,000 tonnes a year. Tunnel may have some caustic comments to make on this scheme, though. It is not as if the home counties are exactly short of cement supplies, and there can be no competition on price since the cement industry is a cartel.

If a well managed company like Tunnel opposes a bid, the board should normally be supported unless the commercial and financial arguments in favour of the deal are overwhelming. This is not the case with Ward's present bid.

Weather

UK TODAY

Sunshine, misty around coasts, warm.

London, S., S.W., S.E., E., N.E. England, Midlands, Borders, Channel Is.
Fog patches early and late. Sunny periods, showers developing. Max. 17C (63F).

Wales, N.W. England, N. Ireland
Dry with sunny periods. Max. 16C (61F).

Central Scotland
Sunny periods. Max. 13C (55F).

N. Scotland, Orkneys, Shetlands
Mostly cloudy, some drizzle. Max. 11C (52F).

Outlook:
Little change in most places.

WORLDWIDE

		Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	S	19	66	Locarno	S	20	68
Algiers	F	21	70	London	S	18	64
Amsdm.	S	18	64	L. Ang.†	F	13	55
Athens	S	18	64	Luxmbg.	S	17	63
Bahrain		—	—	*Luxor*	S	25	77
Barclna.	S	19	66	Madrid	R	14	57
Beirut	S	18	64	Majorca	C	18	64
Belfast	S	14	57	Malaga	F	20	68
Bergrd.	S	22	72	Malta	F	20	68
Berlin	S	13	55	*M'chstr.*	C	13	55
Biarritz	F	16	61	Melbne.	F	20	68
Bmghm.	C	14	57	Miami†	F	23	73
Blackpl.	C	12	54	Milan	S	21	70
Bordx.	F	22	72	Montrl.†	C	13	55
Boulgn.	S	18	64	Moscow	C	3	37
Bristol	F	16	61	Munich	S	16	61
Brussels	S	17	63	Nairobi	F	26	79
Budpst.	F	20	68	Naples	F	20	68
Cairo		—	—	Nwcstl.	S	15	59
Cardiff	F	15	59	N York†	F	11	52
Cas'b'ca	C	24	75	Nice	S	18	64
Cape T.	S	22	72	Nicosia	F	18	64
Chicg.†	F	4	39	Oporto	R	14	57
Cologne	S	18	64	Oslo	C	8	46
Conhgn.	F	10	50	Paris	S	18	64
Corfu	S	19	66	Perth	S	29	84
Denver†	F	7	45	Prague	F	14	57
Dublin	C	8	46	Reykjvk.	C	5	41
Dbrvnk.	C	16	61	Rhodes	S	19	66
Ednbgh.	F	15	59	Rome	F	20	68
Faro	C	17	63	Salzbrg.	F	17	63
Florence	S	21	70	S F'cisc†	F	9	48
Frankft.	S	17	63	Singapr.	F	29	84
Funchal	C	16	61	Stckhm.	S	11	52
Geneva	S	17	63	Strasbg.	F	17	63
Gibraltar	C	16	61	Sydney	S	25	77
Glasgow	S	13	55	Tangier	F	17	63
G'msey	C	14	57	Tel Aviv	S	19	66
Helsinki	C	5	41	Tenerife	S	22	72
H. Kong	R	25	77	Tokyo	C	18	64
Innsbrk.	F	17	63	T'ronto†	C	14	57
Invrnss.	S	14	57	Tunis	F	25	77
I.o.Man	C	6	43	Valencia	C	19	66
Istanbul	S	14	57	*Venice*	S	19	66
Jersey	C	15	59	Vienna	S	18	64
Jo'burg	R	17	63	Warsaw	R	10	50
L. Plms.	S	21	70	Zurich	F	18	64
Lisbon	R	16	61				

C—Cloudy. F—Fair. R—Rain. S—Sunny.
† Noon GMT temperatures.

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